NEW ISSUE—BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein**

*In the opinion of Bond Counsel to the City to be delivered upon the issuance of the Series 2022C-D Bonds (as defined herein), under existing law and assuming compliance by the City and County of Denver, Colorado (the "**City**"), with certain requirements of the Internal Revenue Code of 1986, as amended (the "**Code**") that must be met subsequent to the issuance of the Series 2022C-D Bonds, with which the City has certified, represented and covenanted its compliance, (1) interest on the Series 2022C Bonds is excluded from gross income for federal income tax purposes, and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts and estates and (2) interest on the Series 2022D Bonds is excluded from gross income for federal income tax purposes, except for any period during which such Series 2022D Bonds are held by a person who is a "substantial user" of the Airport System or a "related person" as those terms are used in Section 147(a) of the Code, but is an item of tax preference in calculating the federal alternative minimum tax liability of individuals, trusts and estates.. Bond Counsel to the City observes that, for tax years beginning after December 31, 2022, interest on the Series 2022C-D Bonds included in the adjusted financial statement income of certain corporations is not excluded from the computation of the federal corporate alternative minimum tax. Also, in the opinion of Bond Counsel to the City to be delivered upon the issuance of the Series 2022C-D Bonds, under existing law and to the extent interest on the Series 2022C-D Bonds is excluded from gross income for federal income tax purposes, such interest is not subject to income taxation by the State of Colorado. See "TAX MATTERS" for a more detailed discussion.*

CITY AND COUNTY OF DENVER, COLORADO
FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION

AIRPORT SYSTEM REVENUE BONDS

\$349,180,000	**\$817,810,000**
SERIES 2022C	**SERIES 2022D**
(NON-AMT)	**(AMT)**

Dated: Date of Delivery **Due: November 15, as shown on the inside cover pages**

The Series 2022C-D Bonds are being issued by authority of the City's home rule charter and ordinances adopted pursuant thereto in order to, together with other available Airport System moneys, (i) refund and redeem all of the outstanding Airport System Revenue Bonds, Series 2019D, refund and redeem all of the Series 2007G-1 Bonds and the Series 2007G-2 Bonds, and refund and redeem a portion of the Series 2012A Bonds and the Series 2012B Bonds, (ii) pay the costs of acquiring, improving and equipping Airport Facilities, (iii) pay the costs of terminating swaps associated with the Series 2007G-1 Bonds and Series 2007G-2 Bonds to be refunded, (iv) make any necessary deposits to the Bond Reserve Fund, (v) pay capitalized interest on the Series 2022C-D Bonds, and (vi) pay the costs of issuing the Series 2022C-D Bonds, all as further described herein. *Capitalized terms used on this cover page are defined herein.*

The Series 2022C-D Bonds will be issued in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which will serve as securities depository for the Series 2022C-D Bonds. Beneficial Ownership Interests in the Series 2022C-D Bonds, in non-certificated book-entry only form, may be purchased in integral multiples of \$5,000 by or through participants in the DTC system. Beneficial Ownership Interests will be governed as to the receipt of payments, notices and other communications, transfers and various other matters with respect to the Series 2022C-D Bonds by the rules and operating procedures applicable to the DTC book-entry system as described herein. Investors may purchase Series 2022C-D Bonds in book-entry form only.

The Series 2022C Bonds and the Series 2022D Bonds will be issued as fixed rate bonds, will bear interest at the rates per annum set forth on the inside cover page hereof commencing from the date of delivery thereof to the Underwriters and payable beginning on May 15, 2023, and semiannually thereafter on each May 15 and November 15, and mature on the dates set forth on the inside cover page hereof, subject to redemption prior to maturity as described herein.

The Series 2022C-D Bonds are special obligations of the City, for and on behalf of its Department of Aviation, payable solely from and secured by a senior pledge of the Net Revenues of the Airport System and certain Airport System funds and accounts as described herein, on parity with other Senior Bonds and Senior Obligations of the City. None of the real properties of the Airport System is subject to any mortgage or other lien for the benefit of the Owners or Beneficial Owners of the Series 2022C-D Bonds, and neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Series 2022C-D Bonds. The Series 2022C-D Bonds do not constitute general obligations of the City, the State or any political subdivision or agency of the State within the meaning of any constitutional, home rule charter or statutory limitation of the City or the State.

The purchase and ownership of Beneficial Ownership Interests in the Series 2022C-D Bonds involve investment risks. Prospective purchasers should read this Official Statement in its entirety, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS."

The Series 2022C-D Bonds are offered when, as and if issued, subject to the approval of their validity and enforceability by Hogan Lovells US LLP, Denver, Colorado, Bond Counsel to the City. Certain legal matters will be passed upon for the City by Kerry Tipper, Esq., Interim City Attorney, and Ballard Spahr LLP, Denver, Colorado, Special Counsel to the City; and for the Underwriters by Sherman & Howard, LLC, Denver, Colorado. It is expected that delivery of the Series 2022C-D Bonds will be made through the facilities of DTC on or about November 15, 2022.

BARCLAYS

Citigroup **Estrada Hinojosa** **Loop Capital Markets**

Morgan Stanley **Ramirez & Co., Inc.**

RBC Capital Markets

Dated: November 3, 2022

MATURITY SCHEDULES

CITY AND COUNTY OF DENVER, COLORADO
FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION

(CUSIP© six-digit issuer No. 249182)

$349,180,000
AIRPORT SYSTEM REVENUE BONDS
SERIES 2022C BONDS
(NON-AMT)

Maturity (November 15)	Principal Amount	Interest Rate	Yield	CUSIP© No.
2023	$10,490,000	5.000%	3.220%	RU2
2024	9,645,000	5.000	3.340	RV0
2025	104,610,000	5.000	3.480	RW8
2026	24,080,000	5.000	3.510	RX6
2027	24,595,000	5.000	3.520	RY4
2028	25,370,000	5.000	3.580	RZ1
2029	26,060,000	5.000	3.630	SA5
2030	25,215,000	5.000	3.650	SB3
2031	16,025,000	5.000	3.660	SC1
2032	1,830,000	5.000	3.720	SD9
2033	1,925,000	5.000	3.830*	SE7
2034	2,020,000	5.000	3.970*	SF4
2035	2,120,000	5.000	4.130*	SG2
2036	2,225,000	5.000	4.200*	SH0
2037	2,335,000	5.000	4.280*	SJ6
2038	8,080,000	5.000	4.350*	SK3
2039	8,470,000	5.250	4.400*	SL1
2040	2,710,000	5.250	4.480*	SM9
2041	2,855,000	5.250	4.530*	SN7
2042	3,005,000	5.250	4.550*	SP2

$17,560,000 5.250% Term Bond maturing November 15, 2047, Yield 4.730%*, CUSIP© No.: SQ0
$27,955,000 5.250% Term Bond maturing November 15, 2053, Yield 4.850%*, CUSIP© No.: SR8

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* Yield to first optional call date of November 15, 2032.

\$817,810,000
AIRPORT SYSTEM REVENUE BONDS
SERIES 2022D BONDS
(AMT)

Maturity (November 15)	Principal Amount	Interest Rate	Yield	CUSIP© No.
2024	\$57,630,000	5.000%	3.940%	SS6
2025	11,260,000	5.000	4.080	ST4
2026	19,570,000	5.250	4.150	SU1
2027	20,595,000	5.250	4.200	SV9
2028	21,675,000	5.500	4.290	SW7
2029	22,870,000	5.500	4.380	SX5
2030	24,125,000	5.500	4.440	SY3
2031	25,455,000	5.500	4.500	SZ0
2032	26,855,000	5.500	4.550	TA4
2033	28,330,000	5.500	4.650*	TB2
2034	21,035,000	5.750	4.740*	TC0
2035	22,245,000	5.750	4.790*	TD8
2036	23,525,000	5.750	5.000	TE6
2037	24,875,000	5.750	4.850*	TF3
2038	26,305,000	5.750	4.870*	TG1
2039	27,820,000	5.750	4.900*	TH9
2040	29,420,000	5.750	4.970*	TJ5
2041	31,110,000	5.750	5.000*	TK2
2042	32,900,000	5.000	5.190	TL0

\$101,540,000 5.750% Term Bond maturing November 15, 2045, Yield 5.070%*, CUSIP© No.: TM8
\$218,670,000 5.000% Term Bond maturing November 15, 2053, Yield 5.360%, CUSIP© No.: TN6

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* Yield to first optional call date of November 15, 2032.

SELECTED CITY OFFICIALS AND CONSULTANTS

Mayor

Michael B. Hancock

City Council

Jamie Torres, President

Kendra Black	Chris Hinds
Candi CdeBaca	Paul Kashmann
Jolon Clark	Robin Kniech
Kevin Flynn	Deborah Ortega
Stacie Gilmore	Amanda Sandoval
Christopher Herndon	Amanda Sawyer

Auditor

Timothy M. O'Brien

Clerk and Recorder, *Ex-Officio* Clerk

Paul D. López

Cabinet Officials

Allegra "Happy" Haynes	Deputy Mayor, Executive Director of the Department of Parks and Recreation
Margaret Danuser	Chief Financial Officer
Laura Aldrete	Executive Director of the Department of Community Planning and Development
Andrew Amador	Executive Director of the Department of General Services
Robert M. McDonald	Executive Director of the Department of Public Health and Environment
Jay Morein	Executive Director of Human Services
Adam Phipps	Executive Director of the Department of Transportation and Infrastructure
Armando Saldate	Executive Director of the Department of Safety
Kerry Tipper, Esq.*	Acting City Attorney
Phillip A. Washington	Executive Director of the Department of Aviation

Department of Aviation

Mike Nakornkhet	Executive Vice President/Chief Financial Officer
Cristal Torres DeHerrera	Executive Vice President/Chief of Staff
Steve Jaquith	Executive Vice President/Chief Operating Officer
James Starling	Executive Vice President/Chief Construction and Infrastructure Officer
Penny May	Executive Vice President/Chief Commercial Officer
Everett B. Martínez, Esq.	General Counsel

Airport Consultant
WJ Advisors LLC
Denver, Colorado

Municipal Advisor
Frasca & Associates, LLC
New York, New York

Bond Counsel
Hogan Lovells US LLP
Denver, Colorado

Special Counsel
Ballard Spahr LLP
Denver, Colorado

* Kristin Bronson, the current City Attorney, announced her resignation effective November 2, 2022. The Mayor nominated Kerry Tipper to replace Ms. Bronson. Her nomination is subject to confirmation by the City Council. Until November 3, 2022, Ms. Tipper's title is the Acting City Attorney and from November 3, 2022 until her nomination is confirmed by the City Council, her title will be the Interim City Attorney.

PRELIMINARY NOTICES

This Official Statement does not constitute an offer to sell the Series 2022C-D Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman or other person has been authorized by the City, the Municipal Advisor or the Underwriters to give any information or to make any representation other than those contained herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the City or any other person. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. The information contained in this Official Statement has been obtained from the City and other sources that are deemed reliable.

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2022C-D Bonds is made only by means of this entire Official Statement.

This Official Statement is submitted in connection with the initial offering and sale of the Series 2022C-D Bonds and may not be reproduced or used, in whole or in part, for any other purpose. Neither the Securities and Exchange Commission nor any state securities regulatory authority has approved or disapproved of the Series 2022C-D Bonds or passed upon the adequacy or accuracy of this Official Statement. Any representation to the contrary is a criminal offense.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("**ORIGINAL BOUND FORMAT**") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: HTTP://WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTY THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

The Underwriters may offer and sell the Series 2022C-D Bonds to dealers, institutional investors and others at prices lower or yields higher than the public offering prices or yields stated in the MATURITY SCHEDULE on the inside cover page and such public offering prices may be changed from time to time by the Underwriters.

FORWARD-LOOKING STATEMENTS

This Official Statement, including Appendices thereto, 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," "forecast," "anticipate," "intend," "expect," "plan," "projected" and similar expressions identify forward–looking statements. Any forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forward-looking statement will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between forward-looking statements and actual results, and those differences may be material. For a discussion of certain such risks and possible variations in results, see "CERTAIN INVESTMENT CONSIDERATIONS."

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OFFICIAL STATEMENT

RELATING TO

CITY AND COUNTY OF DENVER, COLORADO

FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION

AIRPORT SYSTEM REVENUE BONDS

\$349,180,000	**\$817,810,000**
SERIES 2022C	**SERIES 2022D**
(NON-AMT)	**(AMT)**

INTRODUCTION

This Official Statement, which includes the cover pages, inside front cover, prefatory information and appendices, furnishes information in connection with the issuance and sale by the City and County of Denver, Colorado (the "**City**"), for and on behalf of its Department of Aviation (the "**Department**") of its Airport System Revenue Bonds, Series 2022C in the principal amount of \$349,180,000 (the "**Series 2022C Bonds**") and its Airport System Revenue Bonds, Series 2022D in the principal amount of \$817,810,000 (the "**Series 2022D Bonds**" and together with the Series 2022C Bonds, the **"Series 2022C-D Bonds"**).

Unless otherwise defined herein, capitalized terms used herein are defined in "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE" and "APPENDIX B-2—THE SERIES 2022 SUPPLEMENTAL ORDINANCE", as applicable.

Changes from the Preliminary Official Statement

This Official Statement contains certain information which was not available for inclusion in the Preliminary Official Statement dated October 27, 2022 (the "**POS**"), including the final principal amounts, maturity dates, interest rates, yields, redemption provisions, and other final terms of the Series 2022C-D Bonds.

In addition to the foregoing updates, the City has determined not to issue the Airport System Revenue Bonds, Series 2022E (Term Rate – Non-AMT) (the "**Series 2022E Bonds**"). Accordingly, all references to the Series 2022E Bonds and descriptions of their terms have been removed from this Official Statement.

The Issuer

The City is a political subdivision of the State of Colorado (the "**State**"). The Denver Municipal Airport System (the "**Airport System**") is owned by the City and the power to operate, maintain and control the Airport System is vested in the Department. The City by ordinance has designated the Department as an "enterprise" within the meaning of the State constitution with the authority to issue its own revenue bonds or other financial obligations in the name of the City. Denver International Airport (the "**Airport**") is the primary asset of the Airport System.

Denver International Airport

General. The Airport is the primary air carrier airport for the Denver air service region. According to statistics compiled by Airports Council International for 2021, the Airport was ranked as the 3rd busiest airport in the nation and the 3rd busiest airport in the world based on total passengers, servicing approximately 58.8 million passengers in 2021 compared to 33.7 million passengers in 2020 and 69.0 million passengers in 2019. The Airport maintained its national ranking compared to 2020 and increased its national ranking compared to 2019, when it was ranked 5th, and increased its global ranking compared to 2020 and 2019, when it was ranked 8th and 16th, respectively. See "DENVER INTERNATIONAL AIRPORT" and "AVIATION ACTIVITY AND AIRLINES."

Passenger Traffic and Airport System Revenues. With a few exceptions (including during the COVID-19 pandemic), the Airport has experienced continual growth in both passenger traffic and associated revenues since it opened in 1995. The Airport served approximately 29.4 million enplaned passengers (passengers embarking on airplanes) in 2021, constituting an approximately 74.3% increase compared to the approximately 16.9 million enplaned passengers served in 2020 and an approximately 14.8% decrease from the 34.5 million enplaned passengers served in 2019, which was the Airport's highest number of annual enplaned passengers since it opened in 1995. The Airport served 25.6 million, 21.2 million, 12.1 million and 25.9 million enplaned passengers in the first nine months of 2022, 2021, 2020 and 2019, respectively. See "AVIATION ACTIVITY AND AIRLINES—Aviation Activity" herein for more information on aviation activity and passenger traffic levels, including year-over-year comparisons and analysis.

For years 2021, 2020 and 2019, the Airport System had operating revenues of approximately $716.4 million, $591.8 million and $867.8 million, respectively, reflective of the global aviation downturn caused by the COVID-19 pandemic and subsequent recovery in 2020 and 2021. For the six-month period ended June 30, 2022, operating revenues at the Airport were $440.8 million, compared to $334.8 million during the same six-month period in 2021, $315.4 million during the same six-month period in 2020 and $426.8 million during the same six-month period in 2019. See "FINANCIAL INFORMATION—Management's Discussion and Analysis of Financial Performance" herein for more information on the Airport System operating revenues and expenses, including year-over-year and second quarter comparisons and analysis. See also "EFFECT OF COVID-19 ON THE AIRPORT."

Future levels of aviation activity and enplaned passenger traffic at the Airport will depend on many local, regional, national and international factors. These factors include economic and political conditions, aviation security and public health concerns, in particular the impact of COVID-19 on health, safety and travel, the financial health of the airline industry and of individual airlines, airline service and routes, airline competition and airfares, airline mergers, alliances and consolidations, aviation industry workforce shortages, availability and price of aviation and other fuel, employee cost and availability and labor relations within the airline industry and capacity of the national air traffic control system and of the Airport. See "EFFECT OF COVID-19 ON THE AIRPORT" and "CERTAIN INVESTMENT CONSIDERATIONS."

For further information regarding passenger traffic at the Airport and financial information concerning the Airport System, see generally "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Historical Debt Service Coverage of Senior Bonds and Subordinate Debt Service Requirements," "AVIATION ACTIVITY AND AIRLINES," "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements," "FINANCIAL INFORMATION—Historical Financial Operations, —Management's Discussion and Analysis of Financial Performance, —Passenger Facility Charges" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Major Air Carriers Operating at the Airport. As of September 30, 2022, 26 passenger airlines provide scheduled service at the Airport, including ten major/national passenger airlines, 11 foreign flag passenger airlines, and five regional/commuter airlines. In addition, several passenger charter airlines and all-cargo airlines, including FedEx Corporation, United Parcel Service, and Atlas Air/Amazon Prime provide service at the Airport.

The principal air carrier operating at the Airport is United Airlines, together with its United Express regional commuter affiliates ("**United**" or the "**United Group**"), accounting for 43.9% of passenger enplanements at the Airport in 2021, and 46.5% of passenger enplanements at the Airport for the first nine months of 2022. The Airport is a primary connecting hub in United's route system both in terms of passengers and flight operations. Through the first nine months of 2022, the Airport ranked as the second busiest airport in the United route network based on scheduled flights. Under a Use and Lease Agreement with the City, United currently operates 69 full service contact gates and 15 ground loading positions. Upon completion of the concourse expansion program and relocation of airlines to their gates, it is expected that United will be leasing 88 full service contact gates and two ground loading positions in Concourse A and Concourse B. See "DENVER INTERNATIONAL AIRPORT—Terminal Complex" for additional information about the concourse expansion programs.

Southwest Airlines ("**Southwest**") had the second largest market share at the Airport in 2021. Since commencing its service at the Airport in 2006, Southwest has had strong and continued growth in airline service, accounting for 31.7% of passenger enplanements at the Airport in 2021 and 30.5% of passenger enplanements at the Airport for the first nine months of 2022. Through the first nine months of 2022, the Airport ranked as the busiest airport in the Southwest system based on scheduled flights. Southwest currently operates from 32 gates at the Airport under a Use and Lease Agreement with the City. Upon the completion of the concourse expansion programs and relocation of airlines to their gates, it is expected that Southwest will be leasing 40 full service contact gates in Concourse C. See "DENVER INTERNATIONAL AIRPORT—Terminal Complex" for additional information about the concourse expansion programs.

Frontier Airlines Inc. ("**Frontier**") had the third largest market share at the Airport in 2021, accounting for 11.0% of passenger enplanements at the Airport in 2021 and 9.6% of passenger enplanements at the Airport for the first nine months of 2022. The Airport serves as Frontier's only hub and through the first nine months of 2022, the Airport ranked as the busiest airport in the Frontier route network based on scheduled flights. Frontier currently operates nine full service contact gates, with an additional five gates currently under development, pursuant to a Use and Lease Agreement with the City. Upon the completion of the concourse expansion programs, Frontier will be leasing 14 ground loading positions on Concourse A (East). Since 2015, Frontier has been operating as an ultra-low-cost carrier. See "DENVER INTERNATIONAL AIRPORT—Terminal Complex" for additional information about the concourse expansion programs.

American Airlines Group ("**American**") and Delta Airlines ("**Delta**") were the Airport's fourth and fifth largest passenger carriers in 2021, respectively. American and Delta had no connecting enplaned passenger traffic at the Airport in 2021, and neither carrier uses the Airport as a hub. In 2021, American and Delta accounted for 4.9% and 4.6% of passenger enplanements, respectively. In the first nine months of 2022, American and Delta each accounted for 3.9% and 4.9% of passenger enplanements at the Airport, respectively.

Except for the United Group, Southwest, Frontier, American, and Delta, no single airline accounted for more than 4.0% of passenger enplanements at the Airport in 2021 or more than 4.1% of any of the airline rentals, fees, and charges component of the Airport System's operating revenues or the Airport System's Gross Revenues in 2021.

For further information regarding the major air carriers operating at the Airport, see "AVIATION ACTIVITY AND AIRLINES," "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements," and "CERTAIN INVESTMENT CONSIDERATIONS."

The Airport Capital Program. The Department's current capital program, for the years 2018 through 2022 (the "**2018-2022 Capital Program**") includes approximately $4.3 billion of major capital projects such as the expansion of Concourses A, B and C to add gates and airline and concessions space, the Great Hall Project (defined below), and the rehabilitation of certain runways, taxiways and apron areas and Peña Boulevard reconstruction. Projects currently included in the 2018-2022 Capital Program, the status of such projects, and the effects of COVID-19 on certain capital projects are described in "CAPITAL PROGRAM" and "EFFECT OF COVID-19 ON THE AIRPORT" herein. The estimated remaining costs of the 2018-2022 Capital Program have been fully funded.

The Department has also developed the next capital program, for the years 2023 through 2027 (the "**2023-2027 Capital Program**"), which includes approximately $2.9 billion of expansion for new infrastructure assets as well as major maintenance capital projects. The 2023-2027 Capital Program includes capital projects such as the completion phase of the Great Hall Project (defined below), development of the Center of Equity and Excellence in Aviation, as further described herein, expansion of the new Concourse A (East) ground load facility, rehabilitation of certain runways, taxiways and apron areas, including studies for the potential future addition of a new runway, various terminal and concourse projects, continued Peña Boulevard reconstruction, and other infrastructure assets and major maintenance projects, as described in "CAPITAL PROGRAM" herein.

Sustainability Initiatives and Social Responsibility. As part of Mayor Hancock's "Vision 100 Plan," which contemplates the Airport's eventual ability to serve 100 million passengers annually, the Airport's executive management team is striving to implement new environmental and sustainability initiatives and social programs over the next five years that are expected to complement a number of existing efforts already in place at the Airport. From an environmental perspective, the new initiatives will support the goals and policies set by Mayor Hancock to reduce greenhouse gas emissions 80% by 2050, further electrify the City's transportation system to reduce the impact of cars on climate change and transition the City to 100% renewable electricity by 2030, including all City government buildings and facilities by 2025. With respect to social programs, the Department has plans to establish a Center of Equity and Excellence in Aviation at the Airport to link industry leaders in aviation with local community programs, including youth outreach programs, to support career pathways for marginalized communities while also offering internships for high school and college students. The Department also plans to continue to improve the Airport's food donation program, which was established in 2015 and collects and donates food and other necessities such as unused toilet paper and abandoned luggage, to local non-profit organizations in the Denver community. See "DENVER INTERNATIONAL AIRPORT—Sustainability Initiatives" and "—Social Responsibility" herein for a description of the existing and planned sustainability initiatives and social programs at the Airport.

The Series 2022C-D Bonds

Authorization. The Series 2022C-D Bonds are being issued by authority of the City's home rule charter (the "**City Charter**"), the State's Supplemental Public Securities Act, the General Bond Ordinance effective November 29, 1984, as amended and restated in its entirety pursuant to the provisions of the 2018 Amended and Restated Airport System General Bond Ordinance, enacted as Ordinance No. 0777, Series of 2018 (the "**General Bond Ordinance**") and a supplemental bond ordinance (the "**Series 2022 Supplemental Ordinance**") enacted before the issuance of the Series 2022C-D Bonds by the Denver City Council (the "**City Council**"). The General Bond Ordinance, the Series 2022 Supplemental Ordinance and any ordinances supplementing the General Bond Ordinance adopted by the City Council after the adoption of the Series 2022 Supplemental Ordinance are referred to herein collectively as the "**Senior Bond Ordinance**." The covenants and undertakings of the City with respect to the Senior Bond Ordinance and the Series 2022C-D Bonds are covenants and undertakings of the City, for and on behalf of the Department. See "THE SERIES 2022C-D BONDS—Authorization," and "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE."

Purpose. The proceeds of the Series 2022C-D Bonds, together with other available Airport System moneys, are expected to be used to (i) refund and redeem all of the outstanding Airport System Revenue Bonds, Series 2019D, all of the Series 2007G-1 Bonds and the Series 2007G-2 Bonds, and a portion of the Series 2012A Bonds and the Series 2012B Bonds (collectively, the "**Refunded Bonds**"), (ii) pay the costs of acquiring, improving and equipping Airport Facilities, (iii) pay the costs of terminating swaps associated with the Series 2007G-1 Bonds and Series 2007G-2 Bonds to be refunded, (iv) make any necessary deposits to the Bond Reserve Fund, (v) pay capitalized interest on the Series 2022C-D Bonds, and (vi) pay the costs of issuing the Series 2022C-D Bonds. See "PLAN OF FINANCING."

Maturities, Principal, and Interest. The Series 2022C Bonds and the Series 2022D Bonds will be issued in the aggregate principal amounts, bear interest at the rates per annum (computed on the basis of a 360-day year of twelve 30-day months), and mature on the dates and in the principal amounts set forth on the inside cover page hereof. Interest on the Series 2022C-D Bonds will accrue from the date of delivery thereof to the Underwriters and will be payable beginning on May 15, 2023, and semiannually thereafter on each May 15 and November 15 and on the maturity date (each an "**Interest Payment Date**"). The Series 2022C-D Bonds are subject to redemption prior to maturity as described in "THE SERIES 2022C-D BONDS."

Book-Entry Only System. The Series 2022C-D Bonds will be issued in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which will serve as securities depository for the Series 2022C-D Bonds. Ownership interests in the Series 2022C-D Bonds ("**Beneficial Ownership Interests**"), in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through participants in the DTC system ("**DTC Participants**"). Such Beneficial Ownership Interests will be recorded in the name of the purchasers thereof ("**Beneficial Owners**") on the books of the DTC Participants from whom they are acquired, and will be governed as to payment of principal and interest, the receipt of notices and other communications, transfers and various other matters with respect to the Series 2022C-D Bonds by the rules and operating procedures applicable to the DTC book-entry system as described in "THE SERIES 2022C-D BONDS—DTC Book-Entry System" and "APPENDIX C—DTC BOOK-ENTRY SYSTEM."

Special Obligations. The Series 2022C-D Bonds are special obligations of the City, for and on behalf of the Department, payable solely from and secured by a pledge of Net Revenues (as defined herein) of the Airport System and certain Airport System funds and accounts as described herein, on parity with other Senior Bonds and Senior Obligations (each as defined herein). None of the real properties of the Airport System are subject to any mortgage or other lien for the benefit of the registered owners (the "**Owners**") or Beneficial Owners of the Series 2022C-D Bonds and neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Series 2022C-D Bonds. The Series 2022C-D Bonds do not constitute general obligations of the City, the State or any political subdivision or agency of the State within the meaning of any constitutional, home rule charter or statutory limitation of the City or the State. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Pledge of Net Revenues."

Pledge of Net Revenues. The Series 2022C-D Bonds are payable from and secured by a senior lien on Net Revenues on a parity with all bonds that have been issued or may be issued in the future and that are outstanding from time to time under the Senior Bond Ordinance (collectively, the "**Senior Bonds**") and Hedge Facility Obligations and Credit Facility Obligations related to the Senior Bonds which have a lien on Net Revenues on a parity with the lien on the Senior Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Pledge of Net Revenues" and "FINANCIAL INFORMATION—Outstanding Senior Bonds." See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE" for the definitions of Hedge Facility Obligations and Credit Facility Obligations.

The Senior Bond Ordinance creates four categories of obligations that are payable from Net Revenues on a parity with each other, such obligations being (i) Bonds, generally comprised of bonds, notes, certificates, and commercial paper referred to herein as Senior Bonds, (ii) Contract Obligations, generally comprised of capital leases, installment purchase agreements, guaranty agreements and other similar contracts, (iii) Hedge Facility Obligations, generally comprised of rate swap transactions, basis swap transactions, cap and floor transactions and collar transactions, and (iv) Credit Facility Obligations, generally comprised of obligations incurred pursuant to a credit agreement or similar instrument in respect of draws or other payments or disbursements made under a Credit Facility which is generally defined as a letter of credit, bond insurance policy, surety bond, guaranty or similar instrument issued by a financial, insurance, or other institution and which provide security or liquidity in respect of Bonds. Contract Obligations, Hedge Facility Obligations and Credit Facility Obligations are collectively referred to herein as "**Senior Obligations**." See "FINANCIAL INFORMATION—Outstanding Senior Bonds."

Further Information. For further information regarding the Series 2022C-D Bonds, see generally "THE SERIES 2022C-D BONDS," "FINANCIAL INFORMATION," "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE" and "APPENDIX B-2—THE SERIES 2022 SUPPLEMENTAL ORDINANCE."

Report of the Airport Consultant

In connection with the issuance of the City and County of Denver, Colorado, for and on behalf of its Department of Aviation Airport System Revenue Bonds, Series 2022A and Series 2022B (the "**Series 2022A-B Bonds**"), WJ Advisors LLC (the "**Airport Consultant**") was retained by the City as its Airport Consultant and in such capacity has prepared the Report of the Airport Consultant dated June 24, 2022 (the "**2022 Report of the Airport Consultant**"). In connection with the issuance of the Series 2022C-D Bonds, the Airport Consultant has been retained by the City and in such capacity has prepared a Letter Report of the Airport Consultant (the "**Letter Report**" and, together with the 2022 Report of the Airport Consultant, the "**Report of the Airport Consultant**"), included herein as "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT" and described in more detail under the caption "REPORT OF THE AIRPORT CONSULTANT" herein. The Report of the Airport Consultant presents certain airline traffic and financial forecasts for fiscal years ending December 31, 2022 through December 31, 2030 (the "**Forecast Period**"), as well as, among other things, an overview of the Airport, descriptions and/or analysis of airline traffic trends, factors affecting future airline traffic, airline traffic forecasts, Airport facilities and capital programs, and financial framework and other economic factors, and the assumptions upon which such forecasts are based. The Report of the Airport Consultant also incorporates certain elements of the funding plan for the 2018-2022 Capital Program and the 2023-2027 Capital Program (together, the "**Total Capital Program**") and includes a forecast of debt service coverage for the Senior Bonds and Subordinate Bonds during the Forecast Period. The Report of the Airport Consultant should be read in its entirety for an understanding of the assumptions and rationale underlying the financial projections contained therein.

The financial forecasts in the Report of the Airport Consultant are based on certain information and assumptions that were provided by, or reviewed and agreed to by, Department management, and in the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the forecasts. The debt service coverage forecasts in the Report of the Airport Consultant were not updated to reflect the sale, issuance or final terms of the Series 2022C-D Bonds.

No assurances can be given that the forecasts and expectations discussed in the Report of the Airport Consultant will be achieved or that the assumptions upon which the projections are based will be realized. The Report of the Airport Consultant is an integral part of this Official Statement and should be read in its entirety for an explanation of the assumptions and forecasts used therein. As of the date of this Official Statement, in the opinion of the Airport Consultant, the assumptions made in the Report of the Airport Consultant provide a reasonable basis for the projections therein.

See "—Forward-Looking Statements," "AVIATION ACTIVITY AND AIRLINES—Airline Information," "EFFECT OF COVID-19 ON THE AIRPORT," "CERTAIN INVESTMENT CONSIDERATIONS—Report of the Airport Consultant; Actual Results May Differ from Projections and Assumptions," and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT" for a discussion of, among other things, the factors that may impact projections related to the Airport System.

Tax Matters

In the opinion of Bond Counsel to the City to be delivered upon the issuance of the Series 2022C-D Bonds, under existing law and assuming compliance by the City, with certain requirements of the Internal Revenue Code of 1986, as amended (the "**Code**") that must be met subsequent to the issuance of the Series 2022C-D Bonds, with which the City has certified, represented and covenanted its compliance, (1) interest on the Series 2022C Bonds is excluded from gross income for federal income tax purposes, and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts and estates, and (2) interest on the Series 2022D Bonds is excluded from gross income for federal income tax purposes, except for any period during which such Series 2022D Bonds are held by a person who is a "substantial user" of the Airport System or a "related person" as those terms are used in Section 147(a) of the Code, but is an item of tax preference in calculating the federal alternative minimum tax liability of individuals, trusts and estates.. Bond Counsel to the City observes that, for tax years beginning after December 31, 2022, interest on the Series 2022C-D Bonds included in the adjusted financial statement income of certain corporations is not excluded from the computation of the federal corporate alternative minimum tax. Also, in the opinion of Bond Counsel to the City to be delivered upon the issuance of the Series 2022C-D Bonds, under existing law and to the extent interest on the Series 2022C-D Bonds is excluded from gross income for federal income tax purposes, such interest is not subject to income taxation by the State of Colorado. See "TAX MATTERS" for a more detailed discussion.

Outstanding Senior Bonds, Senior Obligations, Subordinate Bonds, Subordinate Obligations, and Junior Lien Obligations

Upon the issuance of the Series 2022C-D Bonds and the refunding of the Refunded Bonds and assuming that all scheduled debt service on the Outstanding Senior Bonds is made on November 15, 2022, there will be approximately $4,243,695,000 aggregate principal amount of Senior Bonds Outstanding. The City, for and on behalf of the Department, has entered into various Credit Facility Obligations in connection with the Credit Facilities that additionally secure certain of the outstanding Senior Bonds. See "FINANCIAL INFORMATION—Outstanding Senior Bonds" for a description of outstanding Credit Facility Obligations which constitute Senior Obligations.

Pursuant to the Amended and Restated Airport System General Subordinate Bond Ordinance effective June 28, 2013, as amended and supplemented (the "**Subordinate Bond Ordinance**"), the City, for and on behalf of the Department, has previously issued various series of Subordinate Bonds (being bonds or other securities or obligations relating to the Airport System payable from Net Revenues and having a lien thereon subordinate and junior to the lien thereof of Senior Bonds and Senior Obligations) pursuant to the Subordinate Bond Ordinance. Assuming that all scheduled debt service on the Outstanding Subordinate Bonds due on November 15, 2022 is made, there will be approximately $3,320,085,000 aggregate principal amount of Subordinate Bonds Outstanding as of the date of issuance of the Series 2022C-D Bonds. The City, for and on behalf of the Department, in the past also has incurred Subordinate Contract Obligations (defined herein) and has entered into various Subordinate Hedge Facility Obligations (defined herein) relating to Senior Bonds that are secured by a pledge of Net Revenues that is subordinate to that of the Senior Bonds and Senior Obligations and on a parity with the Subordinate Bonds. See "FINANCIAL INFORMATION—Outstanding Subordinate Bonds, —Subordinate Obligations, and—Master Derivatives Policy."

The Senior Bond Ordinance and the Subordinate Bond Ordinance permit the City, on its own behalf or for and on behalf of the Department, to issue bonds, notes, certificates, commercial paper or other securities, contracts or obligations relating to the Airport System, payable from Net Revenues, and having a lien thereon subordinate and junior to the lien thereon of the Senior Bonds, Senior Obligations, Subordinate Bonds and Subordinate Obligations (defined herein). Pursuant to the Senior Bond Ordinance and the Subordinate Bond Ordinance, the City adopted Ordinance No. 17-0972, Series of 2017, designated as the General Junior Lien Bond Ordinance (the "**Junior Lien Bond Ordinance**"). The City, for and on behalf of the Department, has previously incurred the Hotel Junior Lien Obligation (defined herein) which constitutes a Junior Lien Obligation (defined herein) under the Junior Lien Bond Ordinance. No Junior Lien Bonds (defined herein) have been issued by the City or are currently outstanding. See "FINANCIAL INFORMATION—Junior Lien Bonds and Junior Lien Obligations."

Additional Senior Bonds and Senior Obligations, Subordinate Bonds and Subordinate Obligations, and Junior Lien Bonds and Junior Lien Obligations

The City, for and on behalf of the Department, may issue additional Senior Bonds and incur additional Senior Obligations upon the satisfaction of conditions set forth in the Senior Bond Ordinance, may issue additional Subordinate Bonds and incur additional Subordinate Obligations upon the satisfaction of certain conditions set forth in the Subordinate Bond Ordinance, and may issue Junior Lien Bonds and incur additional Junior Lien Obligations upon the satisfaction of certain conditions set forth in the Junior Lien Bond Ordinance. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Additional Senior Bonds" and "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE."

Continuing Disclosure

Pursuant to Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time ("**Rule 15c2-12**"), the City will deliver a Continuing Disclosure Undertaking in respect to the Series 2022C-D Bonds in which it will agree to provide or cause to be provided annually via the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("**EMMA**") system certain additional financial information and operating data concerning the Airport System and to provide contemporaneous notice of certain specified events. See "CONTINUING DISCLOSURE" and "APPENDIX F—FORM OF CONTINUING DISCLOSURE UNDERTAKING" for a description of the annual information and the events for which notice is to be provided and other terms of the Continuing Disclosure Undertaking.

Additional Information

Brief descriptions of the Series 2022C-D Bonds, the City, the Department, the Airport, the Airport System, and certain other documents are included in this Official Statement and the appendices hereto. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document, statute, report or other instrument. In addition, copies of the General Bond Ordinance and the Series 2022 Supplemental Ordinance are attached hereto as Appendices B-1 and B-2, respectively.

Investment Considerations

The purchase and ownership of Beneficial Ownership Interests in the Series 2022C-D Bonds involve certain investment risks. Prospective purchasers should read this Official Statement in its entirety, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS."

Forward-Looking Statements

This Official Statement, including Appendices thereto, contains statements relating to future results that are "forward-looking statements" as defined in the Federal Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "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. See "CERTAIN INVESTMENT CONSIDERATIONS—Forward-Looking Statements."

Miscellaneous

The cover page, inside cover pages, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement.

Information contained in this Official Statement has been obtained from officers, employees and records of the City and the Department and from other sources believed to be reliable. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the City, the Department or the Airport System since the date hereof. So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

This Official Statement is not to be construed as a contract or agreement between the City, for and on behalf of the Department, or the Underwriters and the purchasers, Owners or Beneficial Owners of any of the Series 2022C-D Bonds.

PLAN OF FINANCING

Purpose of the Series 2022C-D Bonds

The proceeds of the Series 2022C-D Bonds, together with other available Airport System moneys, are expected to be used to (i) refund and redeem the Refunded Bonds identified below, (ii) pay the costs of acquiring, improving and equipping Airport Facilities, (iii) pay the costs of terminating swaps associated with certain outstanding Airport System revenue bonds to be refunded, (iv) make any necessary deposits to the Bond Reserve Fund, (v) pay capitalized interest on the Series 2022C-D Bonds, and (vi) pay the costs of issuing the Series 2022C-D Bonds.

A portion of the proceeds of the Series 2022C Bonds will be applied on the date of issuance thereof to refund and redeem the following series of Senior Bonds: (a) all of the Series 2007G-1 and Series 2007G-2 Bonds, (b) a portion of the Series 2012B Bonds listed below, and (c) all of the Series 2019D Bonds.

Series	Maturity (November 15)	Principal Amount Refunded	Interest Rate	CUSIP*
2007G-1	2031	$46,300,000	Variable	JL1
2007G-2	2031	46,500,000	Variable	JM9
2012B	2025	98,295,000	5.000%	FZ4
2012B	2043	14,395,000	5.000	GK6
2019D	2031	83,725,000	5.000[1]	NP7

[1] The Series 2019D Bonds bear interest at 5% during the initial term rate period which expires on November 15, 2022.

A portion of the proceeds of the Series 2022D Bonds will be applied on the date of issuance thereof to refund and redeem at par the Series 2012A Bonds listed below.

Series	Maturity (November 15)	Principal Amount Refunded	Interest Rate	CUSIP*
2012A	2024	$58,150,000	5.000%	FD3
2012A	2025	11,810,000	5.000	FE1

A portion of the proceeds of the Series 2022C Bonds will be applied to directly redeem the Series 2019D Bonds, the Series 2007G-1 Bonds and Series 2007G-2 Bonds on November 15, 2022. A portion of the Series 2022C-D Bonds will be deposited into one or more irrevocable escrow accounts (the "**Escrow Accounts**") to be established pursuant to an escrow agreement to be entered into by the City, for and on behalf of the Department, and Zions Bancorporation, National Association, as escrow agent, and utilized to redeem and pay certain of the Series 2012A Bonds and Series 2012B Bonds to be defeased on November 15, 2022 and redeemed on December 8, 2022.

* CUSIP© A registered trademark of The American Bankers Association. The CUSIP six digit issuer number is 249182. CUSIP numbers are provided by CUSIP Global Services managed by Standard & Poor's Capital IQ on behalf of The American Bankers Association. CUSIP numbers are provided for convenience of reference only. None of the City, the Department or the Underwriters takes responsibility for the accuracy of such CUSIP numbers now or at any time in the future. The CUSIP number for any maturity of the Refunded Bonds may be changed after the issuance of the Refunded Bonds as the result of various subsequent actions, including, without limitation, a refunding of all or a portion of such maturity or the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Refunded Bonds.

Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2022C-D Bonds.

Sources:	Series 2022C Bonds	Series 2022D Bonds	Total
Principal Amount	$349,180,000.00	$817,810,000.00	$1,166,990,000.00
Net Original Issue Premium[1]	20,136,776.70	20,526,432.10	40,663,208.80
Transfer from Bond Fund	9,420,785.83		9,420,785.83
Total	$378,737,562.53	$838,336,432.10	$1,217,073,994.63
Uses:			
Refund the Series 2019D Bonds	$85,818,125.00		$85,818,125.00
Refund the Series 2007G-1 and Series 2007G-2 Bonds	93,354,260.83		93,354,260.83
Deposits to the Escrow Accounts[2]	113,049,981.94	70,183,483.33	183,233,465.27
Deposits to Project Fund	70,000,000.00	630,000,000.00	700,000,000.00
Hedge Facility Termination Payments[3]	754,700.00		754,700.00
Deposit to the Capitalized Interest Fund	8,369,300.00	78,167,018.54	86,536,318.54
Deposit to the Debt Service Reserve Fund	6,318,939.95	57,098,798.83	63,417,738.78
Costs of Issuance[4]	1,072,254.81	2,887,131.40	3,959,386.21
Total	$378,737,562.53	$838,336,432.10	$1,217,073,994.63

[1] See “UNDERWRITING” and “TAX MATTERS.”

[2] To be used to refund, redeem and defease (as applicable) a portion of the Series 2012A Bonds and the Series 2012B Bonds.

[3] Consists of termination payments related to the termination of the interest rate swap agreements associated with the Series 2007G-1 and Series 2007G-2 Bonds. See Table 13 in “FINANCIAL INFORMATION—Subordinate Obligations” for a discussion of swap termination.

[4] Includes Underwriters’ discount, rating agencies’ fees, legal fees and other costs of issuance for the Series 2022C-D Bonds. See also “UNDERWRITING.”

THE SERIES 2022C-D BONDS

The following is a summary of certain provisions of the Series 2022C-D Bonds during such time as the Series 2022C-D Bonds are subject to the DTC book-entry system. Reference is hereby made to the Senior Bond Ordinance in its entirety for the detailed provisions pertaining to the Series 2022C-D Bonds, including provisions applicable upon discontinuance of participation in the DTC book-entry system. See also “APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE” for the Senior Bond Ordinance, including, without limitation, covenants of the City, the rights and remedies of the Owners of the Series 2022C-D Bonds upon an Event of Default (as defined herein) under the Senior Bond Ordinance, provisions relating to amendments of the Senior Bond Ordinance, and procedures for redemption of the Series 2022C-D Bonds.

Authorization

Pursuant to the home rule article of the State constitution, the State’s Supplemental Public Securities Act, and the City Charter and the Senior Bond Ordinance, the City, for and on behalf of the Department, may issue bonds payable solely from and secured by a senior pledge of Net Revenues to defray the cost of acquiring, improving and equipping municipal airport facilities. Such revenue bonds constitute special obligations, do not evidence a debt or indebtedness of the City, the State or any political subdivision or agency of the State within the meaning of any constitutional, charter or statutory provision or limitation and may be issued without prior voter approval.

Pursuant to the City Charter, the City by ordinance has designated the Department as an "enterprise" within the meaning of the State constitution. The Department is owned by the City, and the Chief Executive Officer of the Department of Aviation (the "**Manager**") is the governing body of the Department. See "MANAGEMENT OF THE AIRPORT SYSTEM." The Department has the authority to issue its own revenue bonds or other financial obligations in the name of the City payable solely from revenues of the Airport System, as authorized by ordinance after approval and authorization by the Manager. The assets of the Airport System are owned by the City and operated by the Department as a self-sustaining business activity. The Department is not authorized to levy any taxes in connection with the Airport System.

The Series 2022C-D Bonds will be issued pursuant to the Senior Bond Ordinance, including the Series 2022 Supplemental Ordinance approved by the City Council prior to the issuance of the Series 2022C-D Bonds and any amendments that may be adopted in accordance with the Series 2022 Supplemental Ordinance after issuance of the Series 2022C-D Bonds. See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE."

The City has appointed Zions Bancorporation, National Association, Denver, Colorado, to serve as paying agent (the "**Paying Agent**") and registrar (the "**Registrar**") for the Series 2022C-D Bonds.

DTC Book-Entry System

The Depository Trust Company ("**DTC**") will act as securities depository for the 2022C-D Bonds. The 2022C-D Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's nominee name) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2022C-D Bonds, each in the aggregate principal amount of such maturity (provided that if the aggregate principal amount of any single maturity exceeds $500,000,000, separate bond certificates shall be issued for each $500,000,000 and any amount in excess thereof and subject to any DTC restrictions on the maximum principal amount of a bond certificate), and will be deposited with DTC. Beneficial interests in the 2022C-D Bonds may be held through DTC, directly as a participant or indirectly through organizations that are participants in such system. See "APPENDIX C—DTC BOOK-ENTRY SYSTEM" for a description of DTC and certain of its responsibilities, and the provisions for registration and registration of transfer of the 2022C-D Bonds if the book-entry-only system of registration is discontinued.

Principal and interest payments with respect to the Series 2022C-D Bonds are to be made by the Paying Agent to Cede & Co., as the Owner of the Series 2022C-D Bonds, for subsequent credit to the accounts of the Beneficial Owners as discussed in "APPENDIX C—DTC BOOK-ENTRY SYSTEM."

None of the City, the Department, the Paying Agent, the Registrar or the Underwriters has any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the distribution by DTC or a DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2022C-D Bonds under the Senior Bond Ordinance, (3) the payment by DTC or a DTC Participant of any amount received under the Senior Bond Ordinance with respect to the Series 2022C-D Bonds, (4) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2022C-D Bonds or (5) any other related matter.

The Series 2022C Bonds and the Series 2022D Bonds

General Provisions. The Series 2022C Bonds and the Series 2022D Bonds will be issued in the aggregate principal amount, bear interest at fixed rates at the rates per annum (computed on the basis of a 360-day year of twelve 30-day months) and mature on the dates and in the principal amounts set forth on the inside cover pages hereof. Interest on the Series 2022C-D Bonds accrues from the date of delivery thereof to the Underwriters and is payable beginning on May 15, 2023, and semiannually on each Interest Payment Date thereafter, on any redemption date and on the maturity date. The Series 2022C-D Bonds will be issued in fully registered form in denominations of $5,000 and any integral multiple thereof.

Principal and interest payments with respect to the Series 2022C-D Bonds will be payable by check or wire transfer by the Paying Agent to Cede & Co., as the Owner of the Series 2022C-D Bonds, for subsequent credit to the accounts of the Beneficial Owners as discussed in "APPENDIX C—DTC BOOK-ENTRY SYSTEM."

Optional Redemption Prior to Maturity. The Series 2022C-D Bonds maturing on and after November 15, 2033 (except the Series 2022D Bonds maturing November 15, 2036), are subject to redemption prior to maturity at the option of the City, on any date on and after November 15, 2032, in whole or in part, in principal amounts equal to authorized denominations, at a price (the "**Redemption Price**") equal to 100% of the principal amount of the Series 2022C-D Bonds to be redeemed plus accrued interest to the date of redemption (the "**Redemption Date**").

Mandatory Sinking Fund Redemption. The Series 2022C Bonds maturing on November 15, 2047 are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest, if any, to the Redemption Date, on November 15 in each of the years and in the principal amounts set forth in the following table.

Mandatory Sinking Fund Redemption Schedule

Year of Redemption	Principal Amount to be Redeemed
2043	$3,160,000
2044	3,330,000
2045	3,505,000
2046	3,685,000
2047[1]	3,880,000

[1] Final maturity amount and not mandatory sinking fund redemption payment.

The Series 2022C Bonds maturing on November 15, 2053 are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest, if any, to the Redemption Date, on November 15 in each of the years and in the principal amounts set forth in the following table.

Mandatory Sinking Fund Redemption Schedule

Year of Redemption	Principal Amount to be Redeemed
2048	$4,085,000
2049	4,300,000
2050	4,525,000
2051	4,760,000
2052	5,010,000
2053[1]	5,275,000

[1] Final maturity amount and not mandatory sinking fund redemption payment.

The Series 2022D Bonds maturing on November 15, 2045 are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest, if any, to the Redemption Date, on November 15 in each of the years and in the principal amounts set forth in the following table.

Mandatory Sinking Fund Redemption Schedule

Year of Redemption	Principal Amount to be Redeemed
2043	$34,545,000
2044	36,530,000
2045[1]	30,465,000

[1] Final maturity amount and not mandatory sinking fund redemption payment.

The Series 2022D Bonds maturing on November 15, 2053 are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest, if any, to the Redemption Date, on November 15 in each of the years and in the principal amounts set forth in the following table.

Mandatory Sinking Fund Redemption Schedule

Year of Redemption	Principal Amount to be Redeemed
2046	$32,215,000
2047	33,830,000
2048	35,520,000
2049	37,295,000
2050	18,515,000
2051	19,445,000
2052	20,415,000
2053[1]	21,435,000

[1] Final maturity amounts and not mandatory sinking fund redemption payments.

The Series 2022C-D Bonds subject to mandatory sinking fund redemption set forth above are referred to herein collectively as the "**Series 2022 Term Bonds**."

The City has the option of reducing the principal amount of the Series 2022 Term Bonds to be redeemed on any mandatory sinking fund Redemption Date by any amount (equal to the smallest denomination then authorized pursuant to the Series 2022 Supplemental Ordinance or whole multiples of such smallest denomination) up to the principal amount of the Series 2022 Term Bonds, which have been redeemed prior to or will be redeemed on such Redemption Date under any other provision of the Series 2022 Supplemental Ordinance or which otherwise have been delivered to the Registrar for cancellation (and which have not previously been applied to reduce the principal amount of the Series 2022 Term Bonds). The City may exercise such option by delivering to the Paying Agent, on or before the 45th day preceding such redemption date, a written notice stating the amount of such reduction.

Purchase in Lieu of Redemption. In lieu of mandatory redemption, the City may surrender to the Paying Agent for cancellation any series or subseries of Series 2022C-D Bonds purchased on the open market, and such series or subseries of Series 2022C-D Bonds are required to be cancelled by the Paying Agent. If any series or subseries of Series 2022C-D Bonds are so cancelled, the City may designate the Sinking Fund Installments or portions thereof within such series or subseries of Series 2022C-D Bonds so purchased that are to be reduced as a result of such cancellation. In the Series 2022 Supplemental Ordinance, the City covenants and agrees that any Series 2022C-D Bonds so purchased on the open market in lieu of mandatory redemption will be surrendered promptly to the Paying Agent for cancellation, unless the City has delivered to the Paying Agent an Opinion of Bond Counsel stating that the failure to promptly surrender such Series 2022C-D Bonds for cancellation will not, in and of itself, adversely affect the tax-exempt status of the interest on any of such bonds.

Partial Redemption. If less than all of the Series 2022C-D Bonds of a series or subseries maturing by their terms on any one date are called for prior redemption at the City's option, the City is required to select the Series 2022C-D Bonds or such maturity date to be redeemed in any manner that it deems appropriate and fair. For purposes of such selection, the Series 2022C-D Bonds of each series or subseries shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

If less than all of the Series 2022C-D Bonds maturing by their terms on any one date are to be redeemed at any one time with Sinking Fund Installments, the Paying Agent will select the Series 2022C-D Bonds of such maturity to be redeemed by lot in any manner that it deems appropriate. For purposes of such selection, the Series 2022C-D Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

The Series 2022 Supplemental Ordinance provides that notwithstanding the foregoing, so long as the Series 2022C-D Bonds are registered in the name of the Securities Depository, the provisions for selecting the Series 2022C-D Bonds for redemption may be adjusted in order to conform to the requirements of the Securities Depository. See "DTC Book-Entry System" above and "APPENDIX C—DTC BOOK-ENTRY SYSTEM."

Notice of Redemption. Notice of redemption is to be given not more than 60 nor less than 20 days prior to the Redemption Date by mailing a copy of such notice by certified or first-class postage prepaid mail to the Owners of the Series 2022C-D Bonds to be redeemed at their addresses as shown on the registration records kept by the Bond Registrar, or in the event that the Series 2022C-D Bonds to be redeemed are registered in the name of the Securities Depository (initially DTC), such notice may, in the alternative, be given by electronic means in accordance with the requirements of the Securities Depository. Failure to give such notice as aforesaid or any defect therein shall not affect the validity of the proceedings for the redemption of any other Series 2022C-D Bonds.

Each notice of redemption must specify the Series 2022C-D Bonds to be redeemed, the Redemption Price to be paid and the redemption date.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the redemption date sufficient to pay the principal of, interest on and any redemption premium due on the Series 2022C-D Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the Owners of the Series 2022C-D Bonds called for redemption.

Redemption of Beneficial Ownership Interests. The Registrar will be required to send notice of redemption of the Series 2022C-D Bonds only to Cede & Co. (or subsequent nominee of DTC) as the registered owner thereof. Receipt of such notice initiates DTC's standard redemption procedures. In the event of a partial call, the Beneficial Ownership Interests to be redeemed will be determined in accordance with the rules and procedures of the DTC book-entry system as described in "APPENDIX C—DTC BOOK-ENTRY SYSTEM." DTC Participants are responsible for notifying the Beneficial Owners of the redemption of their Beneficial Ownership Interests, and for remitting the Redemption Price thereof to such Beneficial Owners. Any failure by DTC or DTC Participants to notify a Beneficial Owner of any such notice of redemption and its content or effect will not affect the validity of the redemption of the Series 2022C-D Bonds properly called for redemption or any other action premised on that notice.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS

Pledge of Net Revenues

The Series 2022C-D Bonds are special obligations of the City, for and on behalf of the Department, payable solely from and secured by a senior pledge of Net Revenues on a parity with all other outstanding Senior Bonds and Senior Obligations. The Series 2022C-D Bonds are also payable under certain circumstances from the Bond Reserve Fund as discussed in "— Bond Reserve Fund" below. The City has irrevocably pledged the Net Revenues and funds on deposit in the Bond Fund and the Bond Reserve Fund to the payment of the Series 2022C-D Bonds and other Senior Bonds. The Series 2022C-D Bonds do not constitute general obligations of the City, the State or any other political subdivision or agency of the State, and neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Series 2022C-D Bonds. None of the real properties of the Airport System has been pledged or mortgaged to secure payment of the Series 2022C-D Bonds.

Upon the issuance of the Series 2022C-D Bonds and the refunding of the Refunded Bonds and assuming that all scheduled debt service on the Outstanding Senior Bonds and Subordinate Bonds is made on November 15, 2022, the aggregate principal amount of all Senior Bonds and Subordinate Bonds Outstanding as of such date will be $4,243,895,000 and $3,320,085,000, respectively. The City, for and on behalf of the Department, has also incurred (1) Senior Obligations that have a lien on Net Revenues on a parity with the lien of the Senior Bonds, (2) Subordinate Bonds and Subordinate Obligations that have a lien on Net Revenues subordinate to the lien of Senior Bonds and Senior Obligations and (3) Junior Lien Obligations that have a lien on Net Revenues subordinate to the lien of Senior Bonds, Senior Obligations, Subordinate Bonds and Subordinate Obligations. See "FINANCIAL INFORMATION—Outstanding Senior Bonds, —Outstanding Subordinate Bonds, —Subordinate Obligations, and —Junior Lien Bonds and Junior Lien Obligations."

"**Net Revenues**" is defined in the Senior Bond Ordinance to mean Gross Revenues of the Airport System remaining after the deduction of Operation and Maintenance Expenses. "**Gross Revenues**" generally constitute any income and revenue lawfully derived directly or indirectly by the City from the operation and use of, or otherwise relating to, the Airport System, whether resulting from an Improvement Project or otherwise, and includes primarily the rentals, rates, fees, and other charges for the use of the Airport System, or for any service rendered by the City in the operation thereof. "**Operation and Maintenance Expenses**" means, generally, all reasonable and necessary current expenses of the City, paid or accrued, of operating, maintaining and repairing the Airport System.

Gross Revenues do not include, among other things, grants derived directly from the United States, including Stimulus Funds (defined below), or any passenger taxes or other passenger charges, including passenger facility charges ("**PFCs**"), imposed to finance certain eligible projects of the Airport System, except to the extent included as Gross Revenues by the terms of any Supplemental Ordinance. Pursuant to Ordinance No. 18-0776, Series of 2018 adopted by the City Council (the "**PFC Supplemental Ordinance**"), beginning on January 1, 2019, the City has been including all PFC revenues (net of collection fees) received by the City in Gross Revenues under each of the Senior Bond Ordinance, Subordinate Bond Ordinance and Junior Lien Bond Ordinance (collectively, the "**Bond Ordinances**") until such time, if any, that the Manager determines, in his or her sole discretion, that all or a portion of such PFCs shall no longer be included in Gross Revenues for purposes of the Bond Ordinances, as further described under "FINANCIAL INFORMATION—Passenger Facility Charges." PFC revenues that are included in Gross Revenues may be applied for any lawful purpose authorized by PFC applications approved by the Federal Aviation Administration ("**FAA**"), including paying debt service on debt issued to finance PFC-eligible projects. The City's current authorization to impose PFCs permits it to use PFC revenues to pay Debt Service Requirements on certain outstanding Senior Bonds. The City may apply to the FAA for new authorizations and use PFCs to pay PFC-eligible debt service and/or project costs. The City has no obligation to continue including PFC revenues received by the City in Gross Revenues for purposes of the Bond Ordinances.

In addition, in any Fiscal Year, the City is permitted to transfer Other Available Funds from the Capital Fund to the Revenue Fund for purposes of meeting rate maintenance covenants for such Fiscal Year under the Senior Bond Ordinance. The Senior Bond Ordinance defines "**Other Available Funds**," with respect to any Fiscal Year, as the amount determined appropriate by the Manager to be transferred from the Capital Fund to the Revenue Fund; but in no event shall such amount exceed 25% of the aggregate Debt Service Requirements for Senior Bonds for such Fiscal Year. See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE" and "—Rate Maintenance Covenants" below. For the complete definitions of Gross Revenues, Operation and Maintenance Expenses and Other Available Funds, see "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE."

Flow of Funds; Revenue Fund

The application of Gross Revenues is governed by the provisions of the Bond Ordinances. The Senior Bond Ordinance creates the "City and County of Denver, Airport System Fund" (the "**Airport System Fund**"), and within the Airport System Fund a special fund designated the "City and County of Denver, Airport System Gross Revenue Fund" (the "**Revenue Fund**"). See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE—ARTICLE V—Administration of and Accounting for Pledged Revenues." The City is required to set aside in the Revenue Fund all Gross Revenues upon receipt. Moneys held in the Revenue Fund are then to be applied and deposited to various other funds and accounts established pursuant to the Senior Bond Ordinance, the Subordinate Bond Ordinance, and the Junior Lien Bond Ordinance. See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE—ARTICLE V—Administration of and Accounting for Pledged Revenues" for the application of Gross Revenues. The flow of funds under these ordinances is illustrated in the following diagram.

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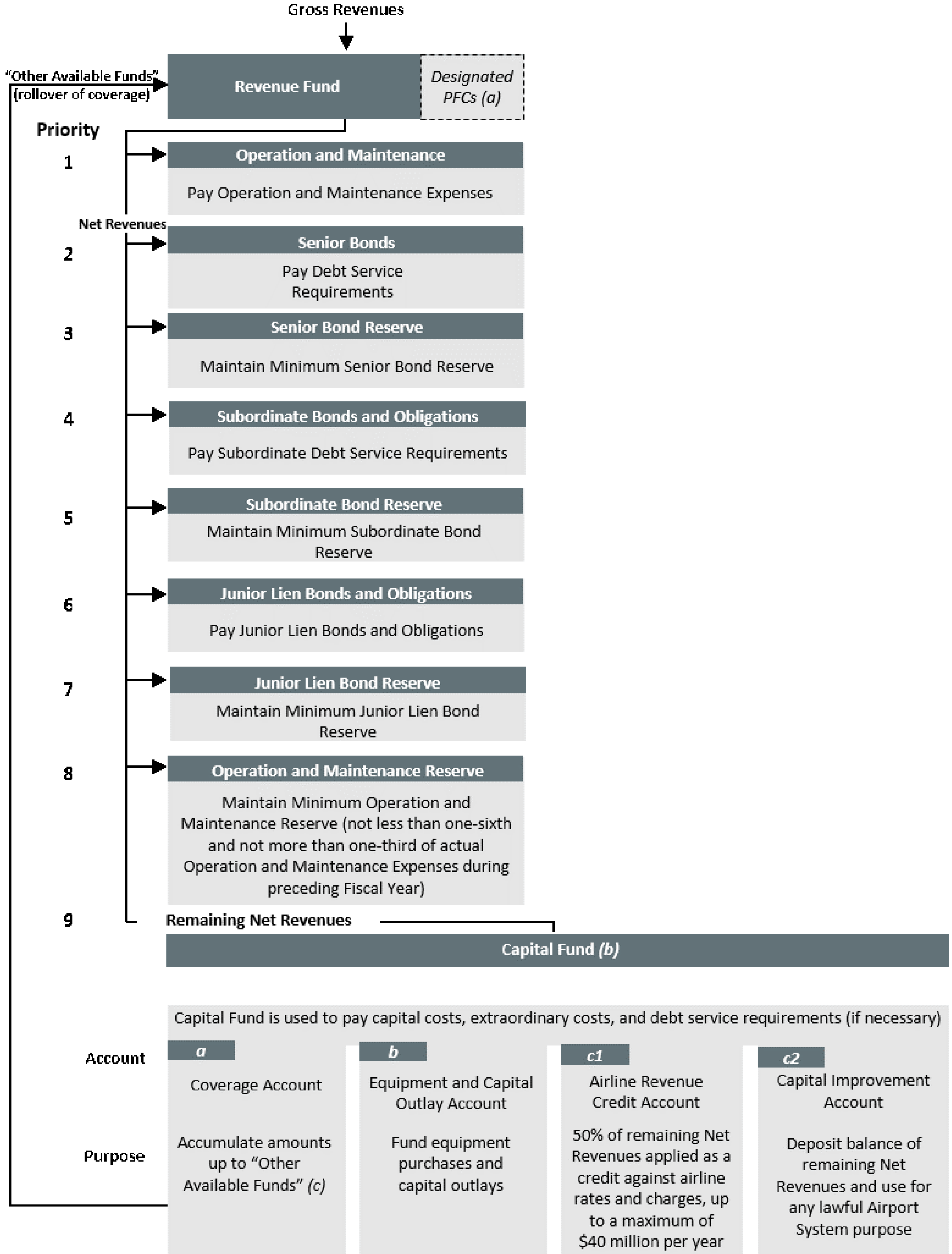
Flow of Funds Under the Bond Ordinances



(a) Beginning in Fiscal Year 2019 and thereafter, all PFC revenues received by the City (net of the PFC collection fees retained by airlines) are being included in Gross Revenues for purposes of the Bond Ordinances until such time as the Manager gives written notice to the Treasurer to stop including all or a portion of PFCs in Gross Revenues. See "FINANCIAL INFORMATION—Passenger Facility Charges."

(b) The account structure for the Capital Fund may be established by the City as necessary for accounting purposes. The accounts are not required by the Senior Bond Ordinance, the Subordinate Bond Ordinance, or the Junior Lien Bond Ordinance.

(c) Under the Senior Bond Ordinance, Other Available Funds determined by the Manager cannot exceed 25% of Debt Service Requirements. Under the Subordinate Bond Ordinance, Other Available Funds determined by the Manager cannot exceed 25% of Debt Service Requirements and Subordinate Debt Service Requirements.

Bond Reserve Fund

The Senior Bond Ordinance creates the Bond Reserve Fund within the Airport System Fund. Amounts on deposit in the Bond Reserve Fund are available to pay debt service on all the Senior Bonds, including the Series 2022C-D Bonds. Pursuant to the Senior Bond Ordinance, the City is required, after making required monthly deposits to the Interest Account, the Principal Account, the Sinking Fund Account and the Redemption Account of the Bond Fund, to credit Net Revenues to the Bond Reserve Fund in substantially equal monthly installments so as to accumulate the Minimum Bond Reserve, being the lesser of (A) the maximum annual Debt Service Requirements on outstanding Senior Bonds and (B) 125% of the average annual aggregate Debt Service Requirements on outstanding Senior Bonds, within 60 months from the first day of the month next succeeding each date on which any series of Senior Bonds is issued or on which the amounts credited to the Bond Reserve Fund are less than the Minimum Bond Reserve. See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE." Amounts on deposit in the Bond Reserve Fund are not available to pay debt service on any obligations other than Senior Bonds.

A portion of the proceeds of the Series 2022C-D Bonds will be applied to fund the Bond Reserve Fund and upon the issuance of the Series 2022C-D Bonds, the amount on deposit in the Bond Reserve Fund will be $281,243,784, which is at least equal to the Minimum Bond Reserve. The Minimum Bond Reserve with respect to any future series of Senior Bonds may, in the discretion of the City, be accumulated over a period of as long as 60 months. Subject to certain limitations set forth in the General Bond Ordinance, any Supplemental Ordinance may provide for the deposit of a Credit Facility in the Bond Reserve Fund in full or partial satisfaction of the Minimum Bond Reserve, provided that any such Credit Facility is required to be payable on any date on which moneys are required to be withdrawn from the Bond Reserve Fund. To date, the City has funded the Bond Reserve Fund solely with bond proceeds and available Airport System moneys.

Capital Fund

The Senior Bond Ordinance also creates the "City and County of Denver, Airport System Capital Improvement and Replacement Fund" (the "**Capital Fund**") within the Airport System Fund, which may be used to pay: the costs of acquiring, improving or equipping any Airport Facilities (as defined in "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE"), to the extent such costs are not Operation and Maintenance Expenses; the costs of extraordinary and major repairs, renewals, replacements or maintenance items relating to any Airport Facilities of a type not properly defrayed as Operation and Maintenance Expenses; and the Bond Requirements (as defined in "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE") of any Senior Bonds, or payments due for Subordinate Bonds, if such payment is necessary to prevent any default in such payment. The Capital Fund is to be funded from Net Revenues and certain other amounts as provided in the Senior Bond Ordinance.

The account structure for the Capital Fund is not mandated by the Senior Bond Ordinance, the Subordinate Bond Ordinance, or the Junior Lien Bond Ordinance, but rather may be established by the City as necessary for accounting purposes. The City currently maintains the following accounts of the Capital Fund: the Coverage Account, the Equipment and Capital Outlay Account, the Airline Revenue Credit Account, and the Capital Improvement Account for the purposes described in the flow of funds diagram set forth above in the subsection entitled "Flow of Funds; Revenue Fund."

The amount on deposit in the Capital Fund as of June 30, 2022 was approximately $835.8 million. Such amount has been designated for use by the City as follows: (1) $65.8 million for the Coverage Account (constituting Other Available Funds) and (2) $770.0 million for any lawful Airport

System purpose. See "FINANCIAL INFORMATION—Cash and Liquidity." See also "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE—ARTICLE V—Administration of and Accounting for Pledged Revenues" and "—ARTICLE X—Miscellaneous Protective Covenants," "CAPITAL PROGRAM—2018-2022 Capital Program", "—2023-2027 Capital Program" and "—Funding for the Total Capital Program" herein.

Rate Maintenance Covenants

The City has covenanted in the Senior Bond Ordinance (the "**Senior Rate Maintenance Covenant**") to fix, revise, charge and collect rentals, rates, fees and other charges for the use of the Airport System in order that in each calendar year (each, a "**Fiscal Year**") Gross Revenues, together with Other Available Funds (consisting of transfers from the Capital Fund to the Revenue Fund), will be at least sufficient to provide for the payment of Operation and Maintenance Expenses and for the greater of either:

(1) the amounts needed for making the required cash deposits to the credit of several subaccounts of the Bond Fund (except the Redemption Account) and to the credit of the Bond Reserve Fund with respect to the Senior Bonds, and to the credit of several accounts and subaccounts of the Subordinate Bond Fund (defined herein) and the Operation and Maintenance Reserve Account, or

(2) an amount equal to not less than 125% of the aggregate Debt Service Requirements on the Senior Bonds for the Fiscal Year.

See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE—ARTICLE IX—Rentals, Rates, Fees, and Other Charges." See also "—Capital Fund" and "—Historical Debt Service Coverage of Senior Bonds and Subordinate Debt Service Requirements."

If Gross Revenues in any Fiscal Year, together with Other Available Funds, are less than the amounts described above, upon receipt of the audit report for the Fiscal Year, the Manager is to direct the Airport Consultant to make recommendations as to the revision of the schedule of rentals, rates, fees and charges. Upon receiving these recommendations or giving reasonable opportunity for them to be made, the Manager, on the basis of the recommendations and other available information, is to revise the schedule of rentals, rates, fees and charges for the use of the Airport as may be necessary to produce the required Gross Revenues. The Senior Bond Ordinance provides that if the Manager complies with this requirement, no Event of Default under the Senior Bond Ordinance will be deemed to have occurred even though Gross Revenues, together with Other Available Funds, are not actually sufficient to provide funds in the amount required for such Fiscal Year.

In addition, the City has covenanted in the Subordinate Bond Ordinance (the "**Subordinate Rate Maintenance Covenant**") to fix, revise, charge and collect rentals, rates, fees and other charges for the use of the Airport in order that in each Fiscal Year Gross Revenues, together with Other Available Funds (consisting of transfers from the Capital Fund to the Revenue Fund), will be at least sufficient to provide for the payment of Operation and Maintenance Expenses and for the greater of either:

(1) the amounts needed for making the required cash deposits to the credit of the several subaccounts of the Bond Fund (except the Redemption Account or any similar account) and to the credit of the Bond Reserve Fund with respect to the Senior Bonds, to the credit of the several accounts and subaccounts of the Subordinate Bond Fund, and the Operation and Maintenance Reserve Account, or

(2) an amount equal to not less than 110% of the aggregate Debt Service Requirements on the Senior Bonds and the aggregate debt service requirements with respect to Subordinate Obligations (as more fully described in the Subordinate Bond Ordinance, the "**Subordinate Debt Service Requirements**") for such Fiscal Year.

If Gross Revenues in any Fiscal Year, together with Other Available Funds, are less than the amounts described above, upon receipt of the audit report for the Fiscal Year, the Manager is to direct the Airport Consultant to make recommendations as to the revision of the schedule of rentals, rates, fees and charges. Upon receiving these recommendations or giving reasonable opportunity for them to be made, the Manager, on the basis of the recommendations and other available information, is to revise the schedule of rentals, rates, fees and charges for the use of the Airport as may be necessary to produce the required Gross Revenues. The Subordinate Bond Ordinance provides that if the Manager complies with this requirement, no Event of Default under the Subordinate Bond Ordinance will be deemed to have occurred even though Gross Revenues, together with Other Available Funds, are not actually sufficient to provide funds in the amount required for such Fiscal Year.

In order to meet the Senior Rate Maintenance Covenant or the Subordinate Rate Maintenance Covenant, or both, in addition to or in lieu of the foregoing, the City may, among other things, increase rentals, rates, fees and charges for the use of the Airport, reduce the Operation and Maintenance Expenses, and as permitted by the Senior Bond Ordinance and the Subordinate Bond Ordinance, reduce the Debt Service Requirements on Senior Bonds or Subordinate Debt Service Requirements or both by irrevocably committing additional amounts to pay Debt Service Requirements or Subordinate Debt Service Requirements, respectively. See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE" for the definition of Debt Service Requirements. See also "EFFECT OF COVID-19 ON THE AIRPORT—Federal Relief Programs" relating to the irrevocable commitment of certain Stimulus Funds to Debt Service Requirements and Subordinate Debt Service Requirements.

Increasing rentals, rates, fees and charges for the use of the Airport or reducing Operation and Maintenance Expenses could be subject to contractual, statutory and regulatory restrictions as discussed in "CERTAIN INVESTMENT CONSIDERATIONS—Risks Related to Federal Regulations and Funding —*Regulations and Restrictions Affecting the Airport*," and could have a detrimental impact on the operation of the Airport by making the cost of operating at the Airport less attractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of the Airport. However, pursuant to the Use and Lease Agreements that have been executed between the City and various airlines operating at the Airport (the "**Signatory Airlines**"), the Signatory Airlines have agreed that the rate base for rentals, fees and charges must generate Gross Revenues, which together with Other Available Funds, must be sufficient to satisfy the Senior Rate Maintenance Covenant, and the Signatory Airlines have agreed to pay such rentals, rates, fees and charges. See also "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements."

For more information see "CERTAIN INVESTMENT CONSIDERATIONS—Ability to Meet Rate Maintenance Covenants" and "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE".

Further, the City has covenanted in the Junior Lien Bond Ordinance to fix, revise, charge and collect rentals, rates, fees and other charges for the use of the Airport System in order that in each Fiscal Year Gross Revenues, together with Other Available Funds (consisting of transfers from the Capital Fund to the Revenue Fund), will be at least sufficient to provide for the payment of Operation and Maintenance Expenses and for the greater of either (1) the amounts needed for making the required cash deposits to the credit of the several subaccounts of the Bond Fund (except the Redemption Account) and to the credit of the Bond Reserve Fund with respect to the Senior Bonds, and to the credit of the several accounts and subaccounts of the Subordinate Bond Fund, the Junior Lien Obligations Fund, and the Operation and Maintenance Reserve Account, or (2) an amount equal to not less than 110% of the aggregate Debt Service Requirements on the Senior Bonds, the aggregate Subordinate Debt Service Requirements, and the aggregate debt service requirements for Junior Lien Bonds and Junior Lien Obligations for such Fiscal Year.

Additional Senior Bonds

The City may issue additional Senior Bonds under the Senior Bond Ordinance on a parity with other Senior Bonds ("**Additional Senior Bonds**") to pay the cost of acquiring, improving or equipping Airport Facilities and to refund, pay and discharge any Senior Bonds, Credit Facility Obligations (as defined herein), Subordinate Bonds, Subordinate Obligations or other securities or obligations. As described more fully in "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE—ARTICLE VII—Bond Liens, Additional Bonds and Obligations," in order to issue Additional Senior Bonds, other than for any refunding of Senior Bonds, the City is required to satisfy certain requirements (the "**Additional Senior Bonds Test**"), including obtaining, among other things, a report of an Airport Consultant estimating the ability of the Airport System to meet the requirements of the Senior Rate Maintenance Covenant in each year of the forecast period, and a certificate of an Independent Accountant setting forth for the last audited Fiscal Year, or for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the delivery of such series of Additional Senior Bonds, as determined by the Independent Accountant, (1) Net Revenues, together with any Other Available Funds, for such period and (2) the aggregate Debt Service Requirements for the Outstanding Senior Bonds, for such period; and demonstrating that for such period Net Revenues, together with any Other Available Funds, at least equaled the larger of either (A) the amount needed to make the required deposits to the credit of the several subaccounts in the Bond Fund for the Senior Bonds and to the credit of the Bond Reserve Fund for the Senior Bonds and the Operation and Maintenance Reserve Account or (B) an amount not less than 125% of the aggregate Debt Service Requirements for the Outstanding Senior Bonds for such period.

The Senior Bond Ordinance provides that Debt Service Requirements on Senior Bonds that are payable from irrevocably committed amounts are excluded from the calculation of Debt Service Requirements for determining compliance with the requirements for the issuance of Additional Senior Bonds. See "—Rate Maintenance Covenants" above, "—Historical Debt Service Coverage of Senior Bonds and Subordinate Debt Service Requirements" below and "FINANCIAL INFORMATION—Outstanding Senior Bonds."

Under the Subordinate Bond Ordinance, the City has agreed for the benefit of the Owners of Subordinate Bonds that the City will not issue Additional Senior Bonds if, upon the issuance of such Additional Senior Bonds, the City would fail to comply with the Subordinate Rate Maintenance Covenant. See "—Rate Maintenance Covenants" above and "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE—ARTICLE VII—Bond Liens, Additional Bonds and Obligations."

A portion of the Series 2022C-D Bonds is being issued to pay or finance a portion of the costs of the 2023-2027 Capital Program and the City will comply with the Additional Senior Bonds Test prior to the issuance of such bonds. See "PLAN OF FINANCING."

The Additional Bonds Test is not applicable to the issuance of that portion of the Series 2022C-D Bonds that will be applied to refund and redeem all or a portion of outstanding Senior Bonds. See "PLAN OF FINANCING".

Historical Debt Service Coverage of Senior Bonds and Subordinate Debt Service Requirements

Set forth in the following table is a calculation of Net Revenues and debt service coverage of the outstanding Senior Bonds and Subordinate Debt Service Requirements from 2017 through 2021, including recalculated debt service coverage assuming all annual PFC revenues in 2017 and 2018 were Designated Passenger Facility Charges under the PFC Supplemental Ordinance. PFCs set forth in the following table reflect amounts actually received in the applicable Fiscal Year, plus investment earnings thereon, and will differ from the PFCs appearing in the financial statements of the Airport System and elsewhere in this Official Statement that are reported on an accrual basis. No representation, warranty or other assurance is made or given that historical debt service coverage levels will be experienced in the future.

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Table 1
Historical Net Revenues and Debt Service Coverage
of the Senior Bonds and Subordinate Debt Service Requirements
(Amounts in thousands, except coverage ratios, and rounded)

	Fiscal Year Ended December 31				
	2017	**2018**	**2019**	**2020**	**2021**
Gross Revenues, not including Designated Passenger Facility Charges[1]	$838,815[7]	$884,336[7]	$949,892[7]	$665,991[7]	$805,479[7]
Designated Passenger Facility Charges [2]	37,656	40,851	131,434	71,652	108,387
Gross Revenues [1]	876,471[7]	925,187[7]	1,102,828[7]	737,643[7]	913,866[7]
Operation and Maintenance Expenses [1]	(425,005)	(445,801)	(478,305)	(407,365)	(424,042)
Net Revenues	451,466	479,386	603,020	330,278	489,824
Other Available Funds [3]	47,090	43,901	68,365	39,848	35,051
Total Amount Available for Debt Service	$498,556	$523,287	$671,385	$370,126	$524,875
Senior Bond Debt Service [4]	$264,814	$258,545	$273,460	$159,391	$140,205
Committed Passenger Facility Charges [5]	(76,454)	(82,940)	0	0	0
Debt Service Requirements for the Senior Bonds	$188,360	$175,605	$273,460	159,391	140,205
Debt Service Coverage for the Senior Bonds	265%	298%	246%	232%	374%
Subordinate Debt Service Requirements [6]	$93,891	$101,344	$102,805	$92,997	$116,785
Debt Service Requirements for the Senior Bonds	188,360	175,605	273,460	159,391	140,205
Aggregate Debt Service Requirements for the Senior Bonds and Subordinate Debt Service Requirements	$282,251	$276,949	$376,265	$252,388	$256,990
Aggregate Debt Service Coverage for the Senior Bonds and Subordinate Debt Service Requirements	177%	189%	178%	147%	204%
Recalculated Debt Service Coverage Assuming Senior Debt Service was not Reduced by Committed Passenger Facility Charges					
Recalculated Debt Service Coverage for the Senior Bonds[8]	217%	234%	N/A	N/A	N/A
Recalculated Aggregate Debt Service Coverage for the Senior Bonds and Subordinate Debt Service Requirements[8]	160%	168%	N/A	N/A	N/A

[1] Gross Revenues and Operation and Maintenance Expenses in this table are determined in accordance with the definitions of such terms in the Senior Bond Ordinance, and are not directly comparable to the information provided in "FINANCIAL INFORMATION—Historical Financial Operations." See also "— Pledge of Net Revenues" above in this section and "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE."

[2] Reflects that portion of PFC revenues included in the Airport System's Gross Revenues for Fiscal Years 2017 and 2018. See "FINANCIAL INFORMATION—Passenger Facility Charges—*Prior Treatment of PFCs under the Prior PFC Supplemental Ordinances*."

[3] For description and definition of Other Available Funds see "— Pledge of Net Revenues" above and "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE."

[4] Senior Bond debt service is not reduced by the irrevocably committed Passenger Facility Charges in such Fiscal Years but is reduced by capitalized interest and certain other available moneys irrevocably committed to the payment of Senior Bonds Debt Service Requirements, including the debt service on certain Senior Bonds that have been economically defeased. See "FINANCIAL INFORMATION—Outstanding Senior Bonds" and "—Passenger Facility Charges." Senior Bond debt service is reduced by any estimated Build America Bond subsidy payments from the United States Treasury and the Stimulus Funds that were applied to the payment of Debt Service Requirements for Senior Bonds in the amounts of $67,844,388 and $72,710,325, for 2020 and 2021, respectively, and Subordinate Debt Service Requirements in the amounts of $62,155,613 and $66,372,545, for 2020 and 2021, respectively. See "EFFECT OF COVID-19 ON THE AIRPORT—Federal Relief Program."

[5] Reflects that portion of PFC revenues which was irrevocably committed to the payment of Debt Service Requirements for Senior Bonds in each of the Fiscal Years 2017 and 2018. See "FINANCIAL INFORMATION—Passenger Facility Charges."

[6] Includes amounts required to pay any Subordinate Bonds and any Subordinate Obligations, including Subordinate Hedge Facility Obligations. See "FINANCIAL INFORMATION—Subordinate Obligations."

[7] These amounts exclude $19,491,735, $20,019,006, $21,524,769, $10,621,397 and $15,585,116 of rental car customer facility charges ("**CFCs**") received in 2017, 2018, 2019, 2020 and 2021 respectively. In 2017 through 2021 CFCs were included as gross revenues in the Airport System's audited financial statements attached hereto as "APPENDIX D," but for purposes of this table, they are excluded from calculations of Gross Revenues. In the future, CFCs may be pledged to Special Facilities Bonds and excluded from the definition of "Gross Revenues" (as defined in the Senior Bond Ordinance) by a Supplemental Ordinance.

[8] Reflects a re-computation of debt service coverage assuming all annual PFC revenues in 2017 and 2018 were Designated Passenger Facility Charges under the PFC Supplemental Ordinance. See "FINANCIAL INFORMATION—Passenger Facility Charges."

Sources: Audited financial statements of the Airport System for Fiscal Years 2017-2021, and Department of Aviation management records.

MANAGEMENT OF THE AIRPORT SYSTEM

Under the City Charter, the management, operation and control of the Airport System are delegated to the Department of Aviation under the direction of the Manager appointed by and responsible directly to the Mayor. The Chief Financial Officer, as the Manager of Finance/*ex-officio* Treasurer of the City is appointed by the Mayor and is confirmed by the City Council. The Chief Financial Officer is responsible for the issuance of Airport System debt and for the investment of Airport System funds. The Chief Executive Officer of the Department is appointed by the Mayor and is confirmed by the City Council. All other senior management of the Department is appointed by the Chief Executive Officer of the Department.

On July 6, 2022, President Joe Biden nominated Phillip A. Washington, the Chief Executive Officer of the Department, as the next administrator of the Federal Aviation Administration. The nomination would require confirmation by the U.S. Senate. If Mr. Washington is confirmed by the U.S. Senate, the Mayor of the City may appoint another member of the Department management as an interim Chief Executive Officer or may undertake a selection process for the new Chief Executive Officer similar to the one undertaken by the Mayor when Kim Day, the predecessor to Mr. Washington, announced her retirement in 2021. The City and the Department do not anticipate any material impact on the day-to-day operations at the Airport should Mr. Washington depart his role as Chief Executive Officer of the Department.

The Mayor's third and final term ends on July 17, 2023. Individuals in certain mayoral-appointed and politically-appointed positions, including those in the Department management, may choose to step down or retire given the end of a particular political term and anticipation of new elected official appointees and management teams. There can be no assurances that mayoral or political appointees within the Department management team will remain in office beyond the end of the Mayor's term; however, turnover upon the end of a political term is not uncommon and the Department management has policies and procedures in place to ensure continuity in management.

The following section describes the senior management of the Department.

Phillip A. Washington was nominated by Denver Mayor Michael B. Hancock and unanimously confirmed by the Denver City Council as Chief Executive Officer of the Department in July 2021. Prior to his appointment Mr. Washington served as the chief executive officer of the Los Angeles County Metropolitan Transportation Authority (2015-2021), where he managed a balanced budget of more than $8 billion and oversaw an agency with 11,000 employees that transported 1.2 million boarding passengers daily. Mr. Washington also served as chief executive officer of Denver Regional Transportation District (2009-2015), where he had worked as an assistant general manager for nearly ten years. In addition to his 20+ years of experience in the commercial aviation and transportation industries, Mr. Washington served for more than two decades in United States Army, achieving the rank of Command Sergeant Major, the highest non-commissioned officer rank an enlisted soldier can achieve. He retired from active duty, is a disabled veteran and was awarded the prestigious Defense Superior Service Medal for exceptional service to his country. He holds a B.A. in Business from Columbia College, an M.A. in Management from Webster University and is a graduate of the Harvard University Kennedy School for Senior Executives in State and Local Government. He is also a past chair of the American Public Transportation Association and a former member of the Executive Committee of the Transportation Research Board and the Eno Center for Transportation.

Margaret Danuser became the Chief Financial Officer for the City in August 2022 after having served as the City's Deputy Chief Financial Officer since 2017. Ms. Danuser has worked for the Denver Department of Finance in several roles throughout her career: from 2017 to present, and from 2007-2010, when she directed the administration and issuance of the City's and Department's $6 billion bond portfolio. Ms. Danuser has also worked for the Colorado Housing and Finance Authority as the Director of Finance. Additionally, Ms. Danuser worked in the private sector, as a mutual fund and investment manager, and in the capital markets. She holds a BA in International Affairs from the University of Colorado, Boulder.

Mike Nakornkhet is the Chief Financial Officer of the Department of Aviation. Mr. Nakornkhet leads the business unit that includes Finance, Accounting, Internal Audit and Financial Planning and Analysis. In this role, he directs the financial and strategic management of the Airport's capital program and operating budget. Mr. Nakornkhet previously served as Deputy Chief Financial Officer of the Department. Before his arrival at the Department, Mr. Nakornkhet was the Acting Managing Director of Finance at San Francisco International Airport. Mr. Nakornkhet has over 20 years of experience in the aviation sector. He holds a degree in mechanical engineering from Purdue University and a Master of Business Administration from Indiana University, Kelley School of Business.

Cristal Torres DeHerrera has served as Chief of Staff and Executive Vice President of the Airport since April 2018. Ms. DeHerrera works closely with the chief executive officer in the day-to-day management of the Airport, operationalizing the Vision 100 plan and other CEO priority initiatives. She serves on the executive management team where she oversees the external affairs unit and helps lead the Airport's governance, strategy, equity, diversity and inclusion efforts and employee focused initiatives, including the development of the Center of Equity and Excellence in Aviation and the Career Pathways Program. Ms. DeHerrera previously served as the Deputy City Attorney for the City and County of Denver for four years. Ms. DeHerrera holds her law degree from the University of California, Berkeley.

Penny May is the Chief Commercial Officer of the Department of Aviation. Ms. May leads the Airport's commercial program which consists of the Airport's Concessions Program, Aviation Commercial Business Development, Business Operations/Procurement and Business Technologies. Ms. May previously served as the Airport's Deputy Chief of Staff and as Interim Chief of Staff to Mayor Michael B. Hancock and Deputy Chief of Staff for 18 months. She has also served as the Executive Director of Denver Human Services, the agency serving the City's most vulnerable population. In addition, Ms. May has worked for Denver's Excise and Licensing Department where she implemented the licensure program for Denver's first licensed medical marijuana facilities. Ms. May holds a Bachelor of Arts from the University of Colorado and a Master in Business Administration from the University of Denver.

Steve Jaquith became Chief Operating Officer in June 2021 and is responsible for managing the Airport System's largest business unit, including airport operations, maintenance, sustainability, parking and ground transportation. Mr. Jaquith has nearly 40 years of airline experience working in customer service and operations. Prior to being appointed as Chief Operating Officer, Mr. Jaquith was the Vice President of Airport Operations for United Airlines where he had oversight of a $200 million annual budget and 4,000 employees. Prior to that, he served as the Managing Director for United Airlines Denver Hub and Rocky Mountain Region. He also worked for Continental Airlines in a number of different positions.

James Starling was named Chief Construction and Infrastructure Officer and Executive Vice President of the Airport in November 2021, bringing over 25 years of experience managing large and complex transportation projects in planning, design, construction and commissioning. He previously led several large projects including the Mid-Coast Corridor program in San Diego, the West Rail Line – part of the $6.9 billion FasTracks program and the Transportation Expansion Project. As the Chief Construction and Infrastructure Officer, Mr. Starling oversees Planning and Design, Airport Infrastructure Management, Sustainability, Real Estate, the Great Hall Project and the Gate Expansion Program.

Everett B. Martínez, Esq. became General Counsel to the Department in July 2022. In this capacity, Mr. Martinez is responsible for managing the legal staff and representing the Airport in various matters related to aviation, finance, real estate, and concessions. Mr. Martinez has been with the City since 2016, most recently as Assistant General Counsel. Prior to his tenure as General Counsel, Mr. Martinez was a public finance attorney, for a decade, at national law firms. Mr. Martinez earned an undergraduate degree from the University of Colorado and a Juris Doctor from Harvard Law School.

DENVER INTERNATIONAL AIRPORT

The Airport serves as the primary air carrier airport for the Denver air service region, and according to statistics compiled by Airports Council International for 2021, the Airport was ranked as the 3rd busiest airport in the nation and the 3rd busiest airport in the world based on total passengers, servicing 58.8 million passengers in 2021 compared to 33.7 million passengers in 2020 and 69.0 million passengers in 2019. The Airport maintained its national ranking compared to 2020 and increased its national ranking compared to 2019, while increasing its global ranking in 2021 compared to 2020 and 2019. See "AVIATION ACTIVITY AND AIRLINES." The Airport site encompasses approximately 53 square miles located about 24 miles northeast of Denver's central business district. The passenger terminal complex is reached via Peña Boulevard, a 12-mile dedicated access road that connects with Interstate 70 and intersects with the E-470 toll highway.

Airfield

The Airport's airfield includes six runways and related aircraft parking ramps, taxiways and perimeter taxiways. Five of the Airport's runways are 12,000 feet long by 150 feet wide, and the sixth runway is 16,000 feet long by 200 feet wide, making it the longest commercial service precision-instrument runway in North America. The airfield can accommodate fully loaded jumbo jets and large airliners, including the Airbus A-380, and can provide unrestricted global access for any airline using the Airport. Four of the Airport's runways have north/south alignments and two have east/west alignments, and are able to accommodate simultaneous parallel arrivals during poor weather conditions when instrument flight rules are in effect. The runway/taxiway lighting system, with lights embedded in the concrete pavement to form centerlines and stop bars at intersections, also allows air traffic controllers to guide pilots and direct them through the airfield during periods of poor visibility. The airfield has substantial expansion capabilities, having been designed to accommodate up to 12 runways. See also "CAPITAL PROGRAM" for a discussion of the airfield maintenance and improvements planned for the Airport.

Airfield facilities also include a FAA air traffic control tower and base building structures, an airport maintenance complex, four "rapid response" aircraft rescue and firefighting stations, de-icing pads, glycol storage/distribution/collection/recycling facilities and a hydrant fueling system. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Systems Leases."

Terminal Complex

The passenger terminal complex consists of (1) a landside terminal (also referred to herein as "**Jeppesen Terminal**"), (2) three airside concourses (Concourse A, Concourse B and Concourse C) which will include a total of 150 full service contact gates upon the completion of the concourse expansion on Concourse A (West) (12 gates) and Concourse B (East) (7 gates), and 16 ground loading positions upon completion of the new Concourse A (East) ground load facility, as described in the table titled "Concourse Expansion Projects" below, (3) the Airport Office Building, and (4) the Hotel and Transit Center (described below). The terminal and concourses are connected by an underground automated guideway transit system, or "**AGTS**," and an elevated walkway connects Jeppesen Terminal with the Airport Office Building and Concourse A. A shuttle bus system also is available for the emergency transportation of passengers between the Jeppesen Terminal and Concourses B and C. The Jeppesen Terminal encompasses approximately 1.2 million square feet (exclusive of international customs facilities, terminal support area and mechanical/electrical space), and includes ticketing, baggage system facilities, including federal explosive detection systems installed "in-line" for the screening of checked baggage, passenger drop off/pick up, ground transportation, concessions and other general passenger support services. Renovations and reconfiguration of Jeppesen Terminal include improvements to the security screening area, curbside space, and commercial concessions. See "—Great Hall Project Developments" below and "CAPITAL PROGRAM—2018-2022 Capital Program—*Major Projects in the 2018-2022 Capital Program—Jeppesen Terminal*" and "—2023-2027 Capital Program— *Major Projects in the 2023-2027 Capital Program—Jeppesen Terminal*" herein.

On May 29, 2018, as part of the 2018-2022 Capital Program, the Airport began construction of approximately 1.1 million in additional square footage across all three concourses. Concourse A, nearest to the Jeppesen Terminal, encompasses approximately 1.86 million square feet, which includes approximately 0.5 million of square feet added as part of the Concourse A (West) expansion which is expected to be completed in early November of 2022. Concourse B encompasses approximately 2.2 million square feet, which includes approximately 0.1 million square feet added as part of Concourse B (East) expansion, which is expected to be completed in early November of 2022. Concourse C encompasses approximately 1.4 million square feet, which includes approximately 0.5 million square feet added as part of the Concourse C (East) expansion which was completed in May 2022. In August 2022, construction commenced on the expansion of the new Concourse A (East) ground loading facility, which includes approximately 10,000 new square feet. See "CAPITAL PROGRAM—2018-2022 Capital Program—*Major Projects in the 2018-2022 Capital Program—Concourses A, B, and C*" and "—2023-2027 Capital Program—*Major Projects in the 2023-2027 Capital Program—Concourses A, B, and C.*" For a discussion of the airline leases for gates on the concourses and space in the terminal, see "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements" and "— Other Agreements."

The table below summarizes the number of full service contact gates and ground loading positions in all three concourses prior to the concourse expansion project and upon completion of the project.

Concourse Expansion Projects

	Prior to concourse expansion projects Number of Gates	**Completed**			**Expected to be completed**			**Total Number of Gates**
		Concourse Side	Date	Gates	Concourse side	Date	Gates	
Concourse A	28				West	Early November 2022	12	40
Concourse A ground load facility[1]	9				East	End of 2024	5	14
Concourse B	56	West	Nov-20	4	East	Early November 2022	7	67[2]
Concourse C[1]	29	East	May-22	16				45
Total	122			20			24	166[2,3]

[1] As construction of the facility is completed, the Department is in the process of relocating some of the carriers to new locations across the various concourses. These moves are expected to be completed by the end of 2024.
[2] Includes 2 ground loading positions.
[3] Includes 16 ground loading positions (14 in Concourse A and two in Concourse B).

Source: The Department of Aviation.

Two multi-level parking structures adjacent to the Jeppesen Terminal provide in excess of 16,000 public parking spaces, as well as in excess of 9,000 surface parking spaces.

See "CAPITAL PROGRAM" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Other Agreements—*Public Parking.*"

Great Hall Project Developments

The City, for and on behalf of the Department, is undertaking renovations to the Jeppesen Terminal including the Great Hall (an open area of approximately 1 million square feet located on Levels 5 and 6 of Jeppesen Terminal) designed to, among other things, enhance security of the passengers and the Airport, expand passenger capacity and increase and improve concessions areas. The City, for and on behalf of the Department, previously entered into a development agreement (the "**Great Hall Agreement**") with Denver Great Hall LLC, a Delaware limited liability company (the "**Great Hall Developer**") to design, construct, finance, operate and maintain certain specified areas within Jeppesen Terminal, including the renovation and reconfiguration of a portion of the Great Hall (the "**Great Hall Project**"). On August 12, 2019, the City, for and on behalf of the Department, exercised its right to terminate the Great Hall Agreement for convenience, effective November 12, 2019, and entered into a final termination agreement dated March 13, 2020 (the "**Termination Agreement**") with the Great Hall Developer, Ferrovial Agroman West, LLC and Great Hall Buildings, LLC to settle all disputes among the parties to the Termination Agreement relating to the Great Hall Agreement, to resolve certain relief event claims filed by the Great Hall Developer on its own behalf and on behalf of Great Hall Builders, LLC under the Great Hall Agreement and to settle the final amount of the termination payment.

Since the termination of the Great Hall Agreement on November 12, 2019, the City, for and on behalf of the Department, recaptured control and operations of the Great Hall Project and contracted with a new project team in March 2020, including a program management consultant, Jacobs Engineering Group, LLC; a lead design firm, Stantec Consulting Services, Inc.; and a construction manager/general contractor, Hensel Phelps Construction Co. (collectively, the "**Great Hall Project Team**"). In October 2021, the Great Hall Project Team completed construction of the initial phase of the Great Hall Project, which consisted generally of renovations to the central Great Hall area for new airline ticketing operations, self-bag drop units, renovated restrooms and new commercial spaces. Total development costs for the first phase of the Great Hall Project were approximately $495.8 million, consisting of approximately $245.4 million in legacy costs (i.e. costs associated with former project design and construction, costs related to the termination of the Great Hall Agreement, and historical project support, all of which have been spent on the Great Hall Project) and additional re-design and construction costs of approximately $250.4 million.

The Great Hall Project Team is expected to construct two additional phases of the Great Hall Project. In July 2021, the Great Hall Project Team began construction of a second phase of improvements consisting generally of a new security checkpoint, a widened balcony for more capacity and space at the new checkpoint, a new triple escalator from the security checkpoint to the train platform and installation of a new escalator on the west curbside. As of September 30, 2022, the second phase is approximately 42% complete. Substantial completion of the second phase of the Great Hall Project is expected to occur in December 2023 at an estimated total construction cost of $170 million and a total budgeted cost of $265 million.

In January 2022, the City approved development of the completion phase of the Great Hall Project, the construction of which is expected to be completed in 2028. The completion phase consists of a full buildout of improvements to the Jeppesen Terminal and includes extension and additional improvements to the new security checkpoint developed in the second phase, relocation of certain existing checkpoints, the addition of new screening lanes, new modern and spacious ticketing spaces, a new concession area, renovations to restrooms, flooring, lighting, elevators/escalators and other critical infrastructure, and added leisure spaces for travelers. In addition, the completion phase includes the development of a new Center of Equity and Excellence in Aviation (the "**CEEA**") to be constructed at the Airport Hotel (defined below). The CEEA will engage, educate, empower, motivate, and provide opportunities for under-represented students and young people who are interested and passionate about careers in aviation. Total development costs for the completion phase of the Great Hall Project are currently estimated to be $1.3 billion with 80% of funding included in the 2023-2027 Capital Program and the remaining 20% is expected to be included in the future capital program. See "—Social Responsibility" below for an additional description of the CEEA.

The construction costs for the second and completion phases of the Great Hall Project are anticipated to be funded with a portion of the proceeds of the Series 2022A-B Bonds issued by the City, for and on behalf of the Department, in July 2022, a portion of the proceeds of the Series 2022C-D Bonds, amounts on deposit in the Capital Fund, and future bond issuances.

See "CERTAIN INVESTMENT CONSIDERATIONS—Risks Related to Airport Facilities, Construction Risk and Availability of Funding—*Construction Risks Related to Projects Within the Total Capital Program*" for a discussion of risks related to the Great Hall Project.

Hotel and Transit Center

The Hotel and Transit Center includes the 519-room Westin Denver International Airport hotel (the "**Airport Hotel**"), a 37,500 square-foot conference center, an 82,000 square-foot open-air plaza, and a train station (the "**Airport Transit Center**") to serve the Regional Transportation District's ("**RTD**") commuter rail service to downtown Denver.

The Airport Hotel. The Airport Hotel is managed and operated by Westin DIA Hotel Operator, LLC, a Delaware limited liability company ("**Westin**") pursuant to a Hotel Management Agreement (the "**HMA**") between the City and Westin. Under the HMA, the City has engaged Westin to manage the Airport Hotel as the exclusive operator until November 2030 unless the HMA is terminated earlier pursuant to the provisions thereof. Westin has the right and the duty under the HMA to operate the Airport Hotel as a "first class" hotel in accordance with certain standards, policies and programs and in a manner reasonably calculated to optimize the financial performance of the Airport Hotel. The City and Westin intend for the HMA to constitute a "Qualified Management Agreement" for purposes of the Tax Code.

The City has the right to terminate the HMA based on, among other things, failure of Westin (or any other permitted successor or assign under the HMA, the "**Hotel Manager**") to pay amounts due or to timely deposit revenues, as well as actions of Westin (or any other Hotel Manager) causing any Bonds issued to finance the capital costs of the Airport Hotel to lose their tax-exempt status. In addition, the HMA separately sets forth performance termination rights for failure of Westin (or any other Hotel Manager) to achieve certain performance tests in any two consecutive years. In the event of a termination, Westin (or any other Hotel Manager) is required to cooperate with the Airport System to minimize expenses, provide a final accounting and deliver all non-proprietary books and records, licenses, permits and contracts, and to facilitate the orderly transfer of electronic records and data.

Consistent with the Senior Bond Ordinance, the HMA and the Cash Management Agreement (the "**CMA**") entered into by the City, for and on behalf of its Department of Aviation, Westin and U.S. Bank National Association, as depository bank, the form of which is attached to the HMA, provide that all

Gross Operating Revenues (generally defined in the HMA as all revenue and income derived from operations at the Hotel) of the Airport Hotel will initially be deposited to a separate account created within the Revenue Fund for such purpose (the "**Hotel Operating Account**") and that such deposited amounts shall constitute Gross Revenues (as defined in the Senior Bond Ordinance).

Amounts remaining in the Hotel Operating Account after the payment of operations and maintenance expenses relating to the Airport Hotel as set forth in the HMA and CMA, are required to be transferred to the Revenue Fund by the Hotel Manager each month for application in accordance with the provisions of the Senior Bond Ordinance and the Hotel Ordinance (as defined herein).

The obligations of the City under the HMA are in all respects subject to, and subordinate to, the Senior Bond Ordinance and the Subordinate Bond Ordinance and to any other bond ordinances that amend, supplement, or replace such bond ordinances. In the event that the Senior Bond Ordinance is amended after the date of the HMA, and such amendment imposes a material adverse burden on the Hotel Manager not otherwise contemplated by the HMA, the Hotel Manager is required to amend the HMA with the City in order to comply with the amendments to the Senior Bond Ordinance. The City has agreed to compensate the Hotel Manager in order to maintain or restore to the Hotel Manager the benefits expected to be received pursuant to the original terms of the HMA.

See "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Other Agreements—*Airport Hotel*" for information on the Airport Hotel annual revenues.

Airport Transit Center. The Airport Transit Center opened in April 2016 and serves as the terminus on Regional Transportation District ("**RTD**") commuter rail service from downtown Denver to the Airport. RTD is responsible for the maintenance of the rail line, but the Department maintains the Airport Transit Center.

Other Facilities

Various other facilities at the Airport include general aviation facilities, remote facilities for rental car companies (including customer service and vehicle maintenance operations), facilities constructed and used by cargo carriers, a U.S. Postal Service sorting and distribution facility and other Airport warehousing, office and distribution facilities and related infrastructure. Also located at the Airport are support facilities for United, including aircraft and ground support equipment maintenance and air freight facilities, and a flight kitchen built by United and initially subleased to LSG Sky Chefs (the brand name of LSG Lufthansa Service Holding AG) and support facilities originally built for Continental Airlines ("**Continental**"), which has since merged with United, including aircraft and ground support equipment maintenance, air freight and flight kitchen facilities, portions of which are currently being subleased to other users. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Other Building and Ground Leases" and "FINANCIAL INFORMATION—Outstanding Senior Bonds; and "—Special Facilities Bonds."

Sustainability Initiatives

As part of Mayor Hancock's "Vision 100 Plan," which contemplates the Airport's eventual ability to serve 100 million passengers annually, the Airport System's executive management team is striving to implement new sustainability initiatives and programs over the next five years. The new initiatives will support the goals and policies set by Mayor Hancock to eliminate 100% of greenhouse gas emissions ("**GHG**") by 2040, further electrify the City's transportation system to reduce the emissions impact of cars, and transition the City to 100% renewable electricity by 2030, including all City government buildings and facilities by 2025. According to the Department's Chief Executive Officer, the new initiatives are expected to complement a number of sustainable programs already in place at the Airport, including:

- An ISO 14001-certified Environmental Management System ("**EMS**") covering all operations, which the Airport established before any other commercial service airport in the United States;

- One of the largest and most diversified solar energy programs of any airport in the world, which includes ground-mounted arrays, rooftop arrays, and Community Solar Gardens;

- A deicing fluid collection and recycling program that collects more than 70% of aircraft deicing fluid applied and recycles the fluid at an on-site recycling plant;

- More than 50 electric vehicle charging stations for both passenger and employee use; and

- A food donation program that provides thousands of pounds of food from flight kitchens and Airport concessions to a local organization to reduce waste and support families in need.

Some of the new initiatives the Department has initiated include:

- Accelerating existing plans to permanently cease oil and gas operations at the Airport by plugging the wells that have been inactive since 2018;

- Implementing deep energy and water retrofits across existing Airport facilities, including LED lighting upgrades, heating and cooling improvements, and water reduction across restrooms that will reduce energy use by 20%, water use by 28%, and greenhouse gas emissions by 30,000 metric tons annually;

- Opening four sustainably designed, high-performance concourse expansion projects that will be certified to the Leadership in Energy and Environmental Design (LEED) Gold level;

- Constructing and energizing additional solar arrays including the two largest arrays in the city of Denver that were energized within the past year, and investigating battery storage opportunities to power the Airport's growth with electricity that is low-carbon, cost-effective, reliable, and resilient;

- Planning for the transition to electric vehicles and installing additional charging stations for passengers, employees, transportation providers, and the Airport fleet;

- Building a new closed-loop aircraft de-icing fluid recycling plant to localize and strengthen the supply chain and reduce costs and environmental impacts;

- Entering the Colorado Voluntary Cleanup Program (administered by the Colorado Department of Public Health and Environment) to systematically develop a program to identify and remedy releases associated with the current and historic use of per- and polyfluoroalkyl substances used primarily in fire-fighting foams at the Airport.

Environmental Policy and Guidelines. The Airport System employs a staff of 18 persons dedicated to environmental sustainability activities, including a Senior Vice President of Sustainability, an environmental director and two environmental sustainability managers – one who leads water staff, and one who leads air quality, climate, and waste staff. The environmental staff carry out the key tenets of the Airport System's environmental policy which include protecting the environment, conserving energy and natural resources, preventing pollution, meeting or exceeding all compliance obligations and continually improving the EMS. The Airport System's environmental policy is provided to all employees and business partners operating on the Airport premises.

In addition to its environmental policy, the Airport System has developed a series of environmental guidelines that provide context and guidance on how to manage activities in a manner that conforms with applicable environmental regulations. These guidelines are provided along with the environmental policy to the Airport System's employees and partners and cover all properties and operations within the boundary lines of the Airport. Areas of focus include fueling, maintenance, deicing, chemical storage, power generation, construction, cleaning, waste disposal and remediation efforts, among others.

Environmental Awards and Achievements. The Department produces an annual environmental report highlighting key environmental achievements of the Airport System. According to the 2021 environmental report (the most recent report available), the Airport System received several awards and achievements, including:

- Awarded \$8.7 million in voluntary airport low emissions ("**VALE**") grant funding from the FAA under the Airport Improvement Program for purchase of 81 ground-power units and 75 pre-conditioned air systems, which are estimated to result in a 2,700-ton CO_2 emissions reduction over the useful life of the equipment;

- Utilized 5 megawatts of locally sourced wind and solar energy from offsite facilities, which generated approximately 13 million kilowatt hours of electricity;

- Replaced 67 lamps alongside Peña Boulevard with LED lighting upgrades;

- Diverted 2,000 tons of landfill waste through recycling and re-purposing;

- Collected over 70% of all deicing fluids for distillation and repurposing.

For more information on the Airport's environmental policies, guidelines and environmental reports, visit (https://www.flydenver.com/about/administration/environmental_management), provided such reference to the Airport's website and the information found thereon is for informational purposes only and is not incorporated herein by reference. Neither the Department nor the City are obligated to continue to provide information on the Airport website, and the information found therein is not part of any continuing disclosure undertaking related to the Series 2022C-D Bonds.

Social Responsibility

The Department has three full-time dedicated positions focused on equity, diversity, inclusion, and accessibility efforts ("**EDIA**"), including an Equity and Engagement Administrator, ADA/Title VI Administrator, and a Senior Director of Equity, Engagement, and Inclusion. In addition, the Airport has a 15-member employee volunteer team that works with other divisions to advance the Airport's EDIA goals, as well as a 21-member Employee Engagement Committee that works to advance social needs of the organizational culture. The Airport also has a formal "Equity Plan" that includes a wide range of projects and initiatives that focus on people, operations, and community; and it follows the Government

Alliance on Race Equity model that normalizes, organizes, and operationalizes policy changes and training initiatives, and impacts business development within marginalized communities.

Donation and Community Programs. In 2015, the Department established a food donation program to address the challenge of food waste, strategically locating coolers at the main Airport loading dock and on each passenger concourse to capture healthy, safe products from food and beverage concessions and flight kitchens that otherwise may have been landfilled. The Airport has since partnered with We Don't Waste, a leading Denver-based non-profit organization to facilitate the donations. According to the Airport System's 2020 environmental report (the latest report available), the Airport collected and donated 120 tons of food, 1,226 pounds of unused toilet paper, 361 pieces of luggage and 38 abandoned car seats, strollers and baby gear for the benefit of the Denver Rescue Mission and the non-profit organization Weecycle. The Department is entering into a pilot partnership with the Colorado Department of Corrections ("**CDOC**") and a local non-profit, Bayaud Enterprises, to serve as a worksite for justice-involved individuals who are enrolled in CDOC programs that support ~~the~~ transitions into skill-building employment pathways. The individuals will be working on landside operations at the Airport. This program will offer alternative employment pathways to marginalized community populations.

Center of Equity and Excellence in Aviation. The Airport's planned development of its Center of Equity and Excellence in Aviation (as previously defined, the "**CEEA**") will provide a physical space as well as a set of programming initiatives that focuses on three key areas: business development, career pathways, and research and innovation. Each of these focus areas will have a wide range of programs geared toward reaching marginalized communities and promoting access, opportunity, and increasing generational wealth. The CEEA will expand on the Airport's youth outreach programs, including its elementary school workshops, and provide paid internships for high school and college students. In addition, the CEEA will involve partnering with industry leaders and community programs to build career pathways and employment pipelines to bring workers into the aviation industry and create an innovative environment where local community members and employees can build and implement best practices to advance the aviation industry. Development of the CEEA is included in the Department's 2023-2027 Capital Program.

CAPITAL PROGRAM

It is Airport management's practice to develop a capital program for the Airport System and reevaluate the capital needs of the Airport System on a regular basis to reflect changes in, among other things (i) the type of projects that it plans to undertake based on current and projected aviation demand and major maintenance needs of facilities and/or equipment, (ii) the scope and timing of individual projects, (iii) project costs, and (iv) the timing and amount of available funding sources. The Department is currently completing the projects in the 2018-2022 Capital Program and Airport management has developed the next 2023-2027 Capital Program.

The projects included in the Total Capital Program and described herein are expected to be periodically evaluated by the Department with respect to their scope, timing, costs, availability of funding, Department cash position, any environmental issues that may arise and other factors that might affect the implementation of the Total Capital Program. Accordingly, timing and costs of projects included in the Total Capital Program are subject to change. See "EFFECT OF COVID-19 ON THE AIRPORT" for a description of changes to the 2018-2022 Capital Program projects. See also, "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT—Airport Capital Program and Funding Sources."

2018-2022 Capital Program

The 2018-2022 Capital Program includes projects with a total cost of approximately $4.3 billion (adjusted for inflation using the Consumer Price Index ("**CPI**") through 2022) in the following areas of the Airport:

Table 2-A
2018-2022 Capital Program Total Cost

	in billions	approx. percent completed[2]
Concourses A, B, and C	$2.8	80%
Jeppesen Terminal[1]	1.0	71
Airside	0.3	68
Landside	0.2	72
TOTAL	$4.3	77%

[1] Includes phases one and two of the Great Hall Project.
[2] Approximate completion percentage as of October 27, 2022. Due to trailing construction costs, completion percentage is not indicative of actual costs spent.

Source: Department of Aviation.

The 2018-2022 Capital Program is currently expected to be completed by the end of 2024. Approximately $2.9 billion of 2018-2022 Capital Program costs had been expended through the end of 2021, with the remaining $1.4 billion expected to be expended by the end of 2024.

Major Projects in the 2018-2022 Capital Program. Major projects in the 2018-2022 Capital Program are described in the paragraphs below.

Concourses A, B, and C. Projects include the expansion of concourse gates as described below, as well as signage and wayfinding upgrades, remodeling of the public restrooms and the conveyance replacement program. Gate expansion projects include the design and construction of new gates and associated apron, airfield, and roadway improvements on Concourses A, B and C, as well as an increase in the amount of airline and concessions space, including outdoor space, on each concourse. Subsequent to the opening of each expansion, the Department will be relocating the airlines to various concourses. Airport management expects that a majority of the additional gates and space will be revenue producing in the near and longer term due to current and future airline demand.

Concourse A. The project will add 12 new full service contact gates and 16 holdrooms on the Concourse A (West) side, with a portion of these gates configured to accommodate both domestic and international operations. All of these new gates are expected to be leased to United Airlines. In addition, the Concourse A expansion project will add approximately 10,000 square feet of new concessions space to Concourse A and an outdoor deck overlooking the Rocky Mountains. The new Concourse A (West) expansion project is expected to be fully operational in early November of 2022. The relocations of airlines to their gates are expected to be completed by the end of 2024.

The projects will also include the expansion of the new Concourse A (East) ground load facility, which will be expanded to include five additional full service contact gates for a total of 14 ground load positions along with new holdrooms and modifications to existing holdrooms, and will be subject to lease by Frontier under its new Use and Lease Agreement. See "AGREEMENTS FOR USE OF AIRPORT

FACILITIES—Passenger Airlines Use and Lease Agreement—*Frontier Use and Lease Agreement*" herein.

Upon completion of the Concourse A (West) expansion, relocation of airlines to their gates and new Concourse A (East) ground load facilities, there will be a total of 40 full service contact gates and 14 ground loading positions on Concourse A.

Concourse B. In November 2020, the Concourse B (West) expansion opened to passengers. The project added approximately 89,000 square feet of new space including four new full service contact gates and six holdrooms, among other improvements. The project also includes improvements to Concourse B (East). In December 2021, Concourse B (East) incurred water damage while under construction. The restoration cost is covered by insurance and is expected to be approximately $50 million. The damage caused a delay in completion, which was initially expected to be completed in February 2022, and is expected to be fully operational in early November of 2022. The Concourse B (East) expansion adds seven new full service contact gates and twelve new holdrooms, among other improvements. Upon completion of the Concourse B (East) expansion and relocations of airlines to their gates, there will be 65 full service contact gates and two ground loading positions on Concourse B.

Concourse C. In May 2022, the Concourse C (East) expansion project opened to passengers. The project added approximately 530,000 square feet of new space, including 16 new full service contact gates and 20 holdrooms, among other improvements. A majority of relocation of airlines to their gates and phasing related to the Concourse C expansion are expected to be complete by March 2023. Upon the completion of the Concourse C relocation, there will be a total of 45 full service contact gates in Concourse C. In addition, a new ground load commuter facility is completed which can serve eight commuter aircraft.

Jeppesen Terminal. Projects include the development of phases one and two of the Great Hall Project, as more particularly described in "DENVER INTERNATIONAL AIRPORT—Great Hall Project Developments" herein, baggage system improvements, additional AGTS train sets and the AGTS car replacement program.

Baggage system improvements include the development of two new Checked Bag Reconciliation Areas ("**CBRAs**") that will replace nine existing locations; installation of new conventional baggage conveyors and an individual carrier system to move bags identified for additional screening between the screening areas to the new CBRAs; modifications to the run out belts and equipment in the airline use area of level 3 and associated rights of way to accommodate upgrades; and replacement and update of baggage handling system controls, automatic tag readers, and baggage handling reporting systems to meet the latest TSA requirements. The CBRAs are estimated to be operational in late 2022 or early 2023.

Airside. Projects include the rehabilitation of certain runways, taxiways, and apron areas as part of the Airport's pavement management system; improvements to airfield drainage, safety areas, and airfield service roads; deicing modernization and expansion; rehabilitation and installation of lighting; certain safety area upgrades and airfield planning studies.

Landside. Projects include the reconstruction, realignment, and widening of various sections of Peña Boulevard and associated roadways as well as the replacement of deteriorating concrete, as well as the replacement of the parking revenue control system and installation of the parking lot entrance and exit canopies, which are designed to improve parking services. The East Bound sections of the Peña Boulevard reconstruction were completed in December 2021.

2023-2027 Capital Program

General. Airport management has developed its next capital program for the Airport for the years 2023 through 2027 (the "**2023-2027 Capital Program**") which includes projects with a total cost of approximately $2.9 billion (adjusted for inflation using the CPI through 2027) in the following areas of the Airport:

Table 2-B
2023-2027 Capital Program Total Cost

	in billions
Jeppesen Terminal[1]	$1.5
Airside	0.7
Concourses	0.5
Landside	0.2
TOTAL	$2.9

[1] Includes approximately 80% of estimated costs of the completion phase of the Great Hall Project.

Source: Department of Aviation management records.

The 2023-2027 Capital Program is currently expected to be completed by the end of 2029.

Major Projects in the 2023-2027 Capital Program. Major projects in the 2023-2027 Capital Program are described in the paragraphs below.

Jeppesen Terminal. Projects include construction and development of the Great Hall Project completion phase, as more particularly described in "DENVER INTERNATIONAL AIRPORT—Great Hall Project Developments" herein, baggage handling system modernizations and improvements, along with upgrades to the screening system. The modernization project will replace transport conveyors, power turns, merges, high-speed diverters, motors and gearboxes, and automatic tag readers. Other improvements include replacing both domestic and international inbound/claim systems, which include eighteen domestic claims, six ski equipment claims, three international claims and one inbound oversize system, and the replacement of certain inbound and outbound lifts. Other improvements include the replacement of existing conveyors from curbside loading positions with stainless-steel conveyors, as well as inspections and repairs to the Jeppesen Terminal tent roof.

Airside. Projects include rehabilitation of certain runways, taxiways, and apron areas as part of the Airport's pavement management system; improvements to airfield drainage, safety areas and airfield service roads; rehabilitation and installation of lighting; upgrades to certain safety areas and airfield planning studies; improvements to the collection, storage and treatment of de-icing fluid, and environmental studies and design of a seventh runway and construction of a new taxiway.

Concourses. Projects include renovations to aged facilities across all concourses which began in 2020, such as remodeling of the public restrooms, conveyance replacement and passenger loading bridge programs, and replacement of fifteen (15) AGTS cars.

Landside. Projects include reconstruction, realignment, and widening of various sections of Peña Boulevard both east and west bound and associated roadways as well as the replacement of deteriorating concrete and the rehabilitation of six (6) surface parking lot locations. The 2023-2027 Capital Program also includes the plug and abandonment of all the existing oil and gas drilling wells and tank batteries and removal of all oil and gas flow lines.

In addition, projects under this category include the development of an approximately 30-acre mixed-used district which may include hospitality, retail and office space under the Department's real estate program, as well as complete replacement of the physical access control system used to restrict access throughout the Airport. The Department's real estate development plan contemplates certain infrastructure and utility construction within Airport boundary lines as well as surrounding real estate developments.

Funding for the Total Capital Program

The estimated remaining costs of the 2018-2022 Capital Program have been fully funded. The 2023-2027 Capital Program is expected to be funded from: (i) a portion of the proceeds of the Series 2022C-D Bonds, in the approximate amount of $700 million; (ii) net proceeds from future issuances of Airport System Revenue Bonds in the amount of approximately $1.3 billion which bonds may be issued as Senior Bonds and/or Subordinate Bonds depending on certain factors existing at the time of issuance; (iii) approximately $280 million in Airport System cash; and (iv) grants-in-aid from the FAA (including under the Infrastructure Investment and Jobs Act) and the TSA, in the amount of approximately $616.3 million.

The Infrastructure Investment and Jobs Act, signed into law in 2021, includes provisions related to airports with $25 billion in funding over the next five years, including $15 billion for airport infrastructure grants, $5 billion for a new airport terminal program, and $5 billion for FAA facilities and equipment. During 2022, the City, for and on behalf of the Department, was awarded $48.4 million in formula-based Airport Infrastructure Grants ("**AIG**") to assist in funding a pond relocation project that would provide an expanded collection, storage and treatment of de-icing fluid, which project is included in the 2023-2027 Capital Program. Also, under the Infrastructure Investment and Jobs Act, the City, for and on behalf of the Department was awarded $60 million of competitively awarded Airport Terminal Project ("**ATP**") grants. The ATP award will assist in funding the baggage handling system modernization project, which is also part of the 2023-2027 Capital Program. The City, for and on behalf of the Department, also intends to apply for additional ATP grant funding through the Infrastructure Investment and Jobs Act.

EFFECT OF COVID-19 ON THE AIRPORT

The information and data contained in this section are being provided solely for the purpose of describing the impacts of the COVID-19 pandemic on the Airport, its operations and its financial condition. The City is under no obligation to update the information and data contained herein and such information and data shall not be deemed to be "Annual Financial Information" under the Continuing Disclosure Undertaking.

General Description

The outbreak of COVID-19 ("**COVID-19**") has had a significant adverse impact on global air traffic and air travel demand. In March 2020, the World Health Organization declared COVID-19 as a pandemic and the United States government-imposed travel restrictions on domestic and international air travel. Various government agencies in the United States and other countries also warned against travel and large group events, and many issued periodic stay-at-home orders and voluntary and involuntary self-quarantining measures curtailing non-essential travel. As a result, airports around the world experienced significant reductions in passenger volumes and flights, and major airlines incurred large operating losses in 2020 and 2021 and, as a consequence, reduced their workforce among other cost reduction measures. COVID-19 has had a material adverse effect on the Airport System's operations and revenues.

In 2021, the U.S. Food and Drug Administration approved several COVID-19 vaccines and as of October 2022, vaccines and boosters against COVID-19 have been widely administered in the United States and infection rates have declined substantially from their peak in 2020. On April 18, 2022, the United States District Court for the Middle District of Florida struck down as unconstitutional the existing federal mask mandate requiring individuals to wear masks on airplanes. The ruling left mask regulations up to individual airlines and, consequently, most major commercial airlines, including United and Southwest, eliminated their mask mandates during air travel. While there are some indications of recovery, the rise of several variants and limited long-term data regarding the efficacy of vaccination creates ongoing concerns. The continued spread or effects of COVID-19 may result in governments re-imposing travel restrictions or other measures which could negatively impact the Airport System. Due to the evolving nature of the virus and the responses by governments, businesses and individuals, the full impact of COVID-19 on the Airport System cannot be fully quantified at this time. See "CERTAIN INVESTMENT CONSIDERATIONS—COVID-19 Risks" herein.

Summary of Department Actions Taken in Response to COVID-19

COVID-19 Relief Policies for Airlines and Concessionaires. During the height of the pandemic, the Department implemented temporary relief policies ("**COVID-19 Relief Policy**") for revenue contracts providing payment deferrals and some fee waivers. For the Signatory Airlines, the Department provided an option for abatement of fixed rent for the leased premises under each Signatory Airline's Use and Lease Agreement for April, May and June 2020, with payments of fixed rent resuming July 1, 2020, and payment of abated fixed rent due in full by December 31, 2020. The Department also provided abatement of payments of variable rent (which includes rates and charges fees such as landings fees, gate use fees, and baggage fees) under each Signatory Airline's Use and Lease Agreement for March, April and May 2020, with such payments resuming June 1, 2020.

In November 2020, the Department issued modifications to the COVID-19 Relief Policy effective January 2021. Under the new policy, participating Signatory Airlines were required to pay 75% of their fixed and variable rate billings as outlined in their respective Use and Lease Agreements during 2021. The remaining 25% of these billings are required to be paid in annual installments through September 30, 2026, and will be charged interest at the U.S. Treasury 5-year note fixed rate as of February 2022, a rate equal to 1.63% per annum. Also, for each of the five fiscal years during which a Signatory Airline is repaying the 25% deferral, if the Net Revenues available for the Revenue Share (as defined and described in "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements") in that fiscal year exceed the fiscal year 2019 Net Revenues available for Revenue Share with the Signatory Airlines, in addition to the existing Revenue Share (in the amount of up to $40 million) the Department will credit up to 25% of the annual $40 million maximum of the Revenue Share to the Airline Revenue Credit Account of the Capital Fund to be applied as a credit against the Signatory Airline's rentals, fees and charges in the following fiscal year. As of December 31, 2021, 15 Signatory Airlines remain under the COVID-19 Relief Policy with approximately $92.9 million of payments subject to this deferred payment structure. As of October 21, 2022, the outstanding balance of such deferred payments is approximately $16.2 million.

From April 1, 2020 through December 31, 2021, concessionaires and car rental companies were charged only a contractual percentage of their gross monthly receipts, rather than certain minimum monthly amounts based on minimum annual guarantees. Ground and facilities rent were periodically deferred for the car rental companies during this time, which deferred rent has been repaid in full. No additional COVID-19-related relief was provided to car rental companies or concessionaires.

Mitigation Measures at the Airport. From March 2020 to April 2021 the Department implemented several measures intended to mitigate operational and financial impacts of COVID-19, including instituting a hiring freeze and furlough hours (64 hours) for all employees. The hiring freeze was in place from March 2020 to April 2021 as a cost saving measure while the 64 furlough hours were utilized by December 31, 2020. In addition, the Department reduced the hours and scope of operations of certain of its contracts, such as janitorial services, and maintenance of the AGTS and baggage systems. Services such as valet parking and remote baggage check-in were temporarily discontinued to drive further savings. As passenger volume began to increase in late 2020, continuing through 2021, the initial cost saving measures were re-evaluated and adjusted to accommodate the growing need for contractual services.

Federal Relief Programs

CARES Act. On March 27, 2020, the Coronavirus Aid, Relief and Economic Security ("**CARES**") Act stimulus package was signed into law. Under the CARES Act, the Federal Aviation Administration (FAA) awarded funds to airports based on enplanements and other metrics related to cash reserves and debt service. Funding received through the CARES Act was intended to prevent, prepare for and respond to the impacts of COVID-19 and may be used for multiple purposes, including for reimbursement of debt service payments. On April 28, 2020, the City, for and on behalf of the Department, executed the CARES Act Grant with the FAA and was eligible for a total of $269.1 million in CARES Act funding (the "**CARES Act Funds**"). The Department determined to use the CARES Act Funds as a reimbursement of debt service payments. As of December 31, 2021, the City received the full total of its $269.1 million in CARES Act Funds and did not receive any notice of a violation under its agreement with the FAA. On September 8, 2020, the City, for and on behalf of the Department, established an irrevocable trust escrow account (the "**CARES Act Irrevocable Escrow**") to restrict all the reimbursed CARES Act Funds for application to future Debt Service Requirements and/or Subordinate Debt Service Requirements and deposited the full reimbursed CARES Act Funds into the CARES Act Irrevocable Escrow. Approximately $130.0 million and $139.1 million of the CARES Act Irrevocable Escrow were used to pay Debt Service Requirements and/or Subordinate Debt Service Requirements in Fiscal Years 2020 and 2021, respectively. The CARES Act Funds do not constitute Gross Revenues as defined in the Bond Ordinances. See "—*Summary of Stimulus Funds*" below. See also "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Rate Maintenance Covenant" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT—Federal COVID-19 Relief Grants."

Coronavirus Response and Relief Supplemental Appropriation Act. On December 27, 2020, in response to the slow economic recovery due to COVID-19, the United States government signed into law the Coronavirus Response and Relief Supplemental Appropriation Act (the "**CRRSAA**"). The CRRSAA provided approximately $2 billion in financial aid for airports nationwide. Under the CRRSAA, the FAA awarded funds to airports based on calendar year 2019 enplanements. Funding received through the CRRSAA is intended to prevent, prepare for, and respond to the impacts of COVID-19, these funds may be used for costs related to operations, personnel, cleaning sanitization, janitorial services, combating the spread of pathogens at the Airport, and debt service payments, including reimbursement of debt service payments. The CRRSAA includes relief from rent and minimum annual guarantees for eligible airport concessions. Under the CRRSAA, the FAA provides funding through the Airport Coronavirus Relief Grant Program ("**ACRGP**").

On March 25, 2021, the City for and on behalf of the Department, executed an ACRGP grant with the FAA and became eligible to receive a total of $48.6 million (the "**ACRGP Grant**"). The Department determined to use the ACRGP Grant funds as a reimbursement of debt service payments and has been reimbursed the full $48.6 million. In October 2021, the City, for and on behalf of the Department, established an irrevocable trust escrow account (the "**CRRSAA Irrevocable Escrow**") to restrict all of the reimbursed ACRGP Grant funds (i.e., $48.6 million) for application to future Debt Service Requirements and/or Subordinate Debt Service Requirements and deposited the full amount of the reimbursed ACRGP Grant into the CRRSAA Irrevocable Escrow. The Department plans to apply all of the CRRSAA Irrevocable Escrow to pay Debt Service Requirements and/or Subordinate Debt Service Requirements due on November 15, 2022.

On March 31, 2021, the City, for and on behalf of the Department, executed an ACRGP Concessions Relief Addendum with the FAA and is eligible to receive a total of $7.2 million (the "**ACRGP Concessions Grant**," and together with the ACRGP Grant, the "**CRRSAA Funds**"). The ACRGP Concessions Grant may be used to provide a credit relief to eligible concessions based on criteria established by the FAA. A portion of such funds, up to two percent (2%), may be used to reimburse the City for administrative costs. As of December 31, 2021, the City has granted $7.1 million in credit relief to eligible concessions under the ACRGP Concessions Grant.

CRRSAA Funds do not constitute Gross Revenues as defined in the Bond Ordinances. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Rate Maintenance Covenant" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT—Federal COVID-19 Relief Grants."

The American Rescue Plan Act of 2021. On March 11, 2021, the United States government signed into law an additional financial aid package known as the American Rescue Plan Act of 2021 (the "**ARPA**", and together with the CARES Act and the CRRSAA, the "**Stimulus Acts**"). The ARPA provided approximately $6.5 billion in financial aid for commercial airports nationwide. The City, for and on behalf of the Department, received an award totaling $204.3 million of general grant funding, as well as an additional $28.8 million reserved for concessionaire relief (together, the "**ARPA Funds**," and together with CARES Act Funds and CRRSAA Funds, the "**Stimulus Funds**"). The ARPA general grant funding may be used to fund costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the Airport, and debt service payments, including reimbursement of debt service payments. The City, for and on behalf of the Department, determined to use $204.3 million in the general grant funding of ARPA Funds as a reimbursement of debt service payments and has been reimbursed all of such funds in 2022. In April 2022, the City, for and on behalf of the Department, established an irrevocable trust escrow account (the "**ARPA Irrevocable Escrow**") to restrict all the reimbursed general grant funding under ARPA Funds solely for future application to Debt Service Requirements and/or Subordinate Debt Service Requirements and deposited the full amount of the general grant funding under ARPA Funds into the ARPA Irrevocable Escrow ARPA Funds do not constitute Gross Revenues as defined in the Bond Ordinances. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Rate Maintenance Covenant" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT—COVID-19 Relief Grants."

Airport Improvement Program. The CARES Act and ARPA also provide funds to increase the federal share percentage for Airport Improvement Program (the "**AIP**") awards from eligible costs being 75% FAA funded and 25% Airport funded to eligible costs being 100% FAA funded. With respect to AIP, the City, for and on behalf of the Department, executed five grant awards with the FAA under the CARES Act and four grant awards with the FAA under the ARPA. See "FINANCIAL INFORMATION—Federal Grants and Other Funding; Financial and Performance Audits" for a description of the AIP program.

Summary of Stimulus Funds. The following table provides a breakdown of the Stimulus Funds received by the City, for and on behalf of the Department, and application of the Stimulus Funds. All of the funds in the CARES Act Irrevocable Escrow in the amount of approximately $269.1 have been expended to pay Debt Service Requirements and/or Subordinate Debt Service Requirements in Fiscal Years 2020 and 2021. The Department intends to apply all of the CRRSAA Irrevocable Escrow proceeds and approximately $52.6 million of ARPA Irrevocable Escrow proceeds to pay debt service requirements due on November 15, 2022 and December 1, 2022.

Source of Funds	**Award Amount (in millions)**
CARES Act	
Committed/Expended for Debt Service	$269.1
AIP Project Grants	
Taxiway M and L	6.2
Taxiway AA, AS and CS	0.8
20 PCA and 27 GPU	0.7
Taxiways AN, CN and P	0.9
Taxiway EE – Phase II	4.7
Total CARES Act	$282.4
CRRSAA	
Committed/Expended for Debt Service	$48.6
ACRGP Concessions Grant	7.1
Total CRRSAA	$55.7
ARPA	
Committed/Expended for Debt Service	$204.3
ARPA Concessionaire Relief	28.8
AIP Project Grants	
Runway 16L/34R and Lighting	5.8
Taxiways F and G – Phase II	0.9
Taxiway EE – Phase I	2.7
81 PCA and 38 GPU	2.2
Total ARPA	$244.7
Total Committed/Expended for Debt Service	$522.0
Total (including AIP Grants):	$582.9

Source: Department of Aviation management records.

For additional information on the revenues and expenses of the Airport System, as well as year-over-year comparisons and analysis reflecting the financial impact of the COVID-19 pandemic, see "FINANCIAL INFORMATION—Historical Financial Operations" and "—Management's Discussion and Analysis of Financial Performance" herein.

Forward-Looking Statements

This section contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used herein,

the words "estimate," "forecast," "anticipate," "intend," "expect," "plan," "projected" and similar expressions identify forward–looking statements. Any forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forward-looking statement will not be realized and unanticipated events and circumstances will occur. The forecasts presented here incorporate certain assumptions more fully described above and in the Report of the Airport Consultant. Any forward-looking statement and/or forecast should be read in connection with the related assumptions. It can be expected that there will be differences between forward-looking statements and projections or forecasts presented herein, and actual results, and those differences may be material. For a discussion of certain such risks and possible variations in results, see "CERTAIN INVESTMENT CONSIDERATIONS."

The City and the Department cannot predict (i) the duration or extent of the COVID-19 pandemic or another outbreak, pandemic, or force majeure event; (ii) the scope or duration of stay-at-home orders, social distancing guidelines, and other restrictions on travel, gatherings or any other activities, and the extent to which airlines will reduce services at the Airport or whether airlines will cease operations at the Airport or shut down in response to such restrictions or warnings; (iii) what effect any COVID-19 or other outbreak or pandemic-related restrictions or warning may have on air travel, including to and from the Airport, the retail, concessions and services provided by the Airport concessionaries, Airport System costs or Airport System revenues; (iv) whether and to what extent the COVID-19 or another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Department-related construction, the cost, source of funds, schedule or implementation of the Total Capital Program, including the Great Hall Project, or other Airport operations; (v) the extent to which the COVID-19 outbreak or another outbreak or pandemic, or the resultant disruption to the local, State, national or global economies, may result in changes in demand for air travel, including long-term changes in consumer behavior and the operations of other businesses, or may have an impact on the airlines or concessionaries service the Airport or the airline and travel industry, generally; (vi) whether or to what extent the Department may provide additional deferrals, forbearances, adjustments, payment plans or other changes to the Department's arrangements with airlines, tenants and concessionaires; or (vii) whether any of the foregoing may have a material adverse effect on the finances and operations of the Airport System. Prospective purchasers should assume that the restrictions and limitations related to the COVID-19 pandemic, and the current upheaval to the air travel industry and the national and global economies, may increase at least over the near term, that recovery may be prolonged, and therefore, have an adverse impact on the ability to generate Gross Revenues. Future outbreaks, pandemics or events outside the Department's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Gross Revenues.

AVIATION ACTIVITY AND AIRLINES

Denver Air Service Region

The primary region served by the Airport is the Denver metropolitan area, encompassing the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson. The secondary region served by the Airport is defined by the location of (and the airline service provided from) other large-hub and medium-hub air carrier airports. The nearest such airports, by road miles, are in Albuquerque (440 miles to the south), Salt Lake City (530 miles to the west-northwest), Kansas City (590 miles to the east), Oklahoma City (620 miles to the southeast), Las Vegas (760 miles to the west-southwest), and Phoenix (810 miles to the southwest). For certain economic and demographic information with respect to the Denver metropolitan area, see "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Airlines Serving the Airport

As of September 30, 2022, the following 26 airlines provide scheduled passenger service at the Airport:

Major/National	Regional/Commuter	Foreign Flag
Alaska Airlines	American Eagle	AeroMéxico
Allegiant Air	Delta Connection	Air Canada
American	Denver Air Connection	Air France
Delta	Southern Airways Express	British Airways
Frontier	United Express	Cayman Airways
JetBlue Airways [1]		Copa Airlines
Southwest		Edelweiss
Spirit Airlines[1]		Icelandair
Sun Country Airlines		Lufthansa German Airlines
United		Volaris
		WestJet

[1] Proposed merger contemplated with Spirit Airlines. See "CERTAIN INVESTMENT CONSIDERATIONS—Risks Related to Airline Operations and Activity—*Concentration of Airline Market Share—Prospective Merger*" herein.

Source: Department of Aviation management records.

In addition to the passenger airlines listed in the table above, as of September 30, 2022, several passenger charter airlines, and all-cargo airlines provide service at the Airport, including, among others, ABX Air Inc., Air Transport International, Alpine Air Express, Inc., Atlas Air/Amazon Prime, Bemidji Aviation Services, Inc., DHL Express (USA), Inc., FedEx Corporation, Kalitta Air, LLC, Key Lime Air Corporation, and United Parcel Service. The regional/commuter airline brands listed in the table above include flights operated by Commutair, and SkyWest Airlines. Air Canada includes Jazz Aviation LP.

Airline Information

The United Group. United is the principal air carrier operating at the Airport. The Airport is a primary connecting hub in United's route system both in terms of passengers (based on information provided by individual airports) and flight operations (according to data published by Official Airline Guides, Inc.). Under its Use and Lease Agreement, which expires in February 2035, United will lease 90 gates (88 full service contact gates and two ground loading positions) in Concourses A and B, which will occur upon completion of the concourses expansion project and relocation of airlines to their gates. Currently, United operates 69 full service contact gates and 15 ground loading positions. See "CAPITAL PROGRAM—2018-2022 Capital Program" and "—2023-2027 Capital Program" herein. In addition to the gate expansions, in October 2018 United expanded its Denver-based flight-training center, now the largest single-site flight training center in the world.

The United Group (United and United Express) accounted for approximately 43.9% and 42.9% of passenger enplanements at the Airport in 2021 and in 2020, respectively. In addition, through the nine months ended September 30, 2022, the Airport ranked as the 2nd busiest airport in the United route network based on scheduled flights.

The City makes no representations regarding the financial conditions of United Airlines Holdings or the United Group or their future plans generally or with regard to the Airport in particular. See also "— Aviation Activity, and "—Originating and Connecting Passengers" in this section, as well as "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease

Agreements—*United Use and Lease Agreement*," "FINANCIAL INFORMATION—Special Facilities Bonds" and "CERTAIN INVESTMENT CONSIDERATIONS—Risks Related to Airline Operations and Activity—*Financial Condition of the Airlines"* and "*—Risk of Airline Bankruptcies*."

Southwest. Southwest had the second largest market share at the Airport in 2021 and 2020 and accounted for approximately 31.7% and 30.3% of passenger enplanements at the Airport in 2021 and 2020, respectively. Through the nine months ended September 30, 2022, the Airport ranked as the busiest airport in the Southwest system based on scheduled flights.

Under its Use and Lease Agreement, which expires in February 2035, Southwest will lease 40 gates on Concourse C, which is expected to occur upon completion of the concourse expansion project and relocation of airlines to their gates, and certain other Airport facilities. Currently, Southwest operates 32 gates. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements." In addition to leasing gates at the Airport, Southwest has constructed a $100 million aircraft maintenance hangar, which opened on March 24, 2022. The hangar will be the seventh in Southwest's network.

The City makes no representations regarding the financial conditions of Southwest or its future plans generally or with regard to the Airport in particular. See also "—Aviation Activity," and "—Originating and Connecting Passengers" in this section, as well as "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements" and "CERTAIN INVESTMENT CONSIDERATIONS—Risks Related to Airline Operations and Activity—*Financial Condition of the Airlines*" and "*—Risk of Airline Bankruptcies*."

Frontier. Frontier had the third largest market share at the Airport in 2021 and 2020, and accounted for approximately 11.0% and 14.0% of passenger enplanements at the Airport in 2021 and 2020, respectively. The Airport is Frontier's only hub. As a result of the change of Frontier's business model from a low-cost carrier to an ultra-low-cost carrier in 2015, the carrier has cut back its connecting traffic at the Airport, however, overall increases in passenger traffic have allowed Frontier to continue to grow.

The Use and Lease Agreement between Frontier and the City, with an effective date of May 2022 (the "**Frontier Use and Lease Agreement**") provides for Frontier's relocation to and lease of the new Concourse A (East) ground load facility, among other things, and expires 10 years after Frontier's occupancy of the new Concourse A (East) ground load facility, currently estimated to be June 2024. Currently, Frontier operates nine full service contact gates. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements."

The City makes no representations regarding the financial conditions of Frontier or its future plans generally or with regard to the Airport in particular. See also "—Aviation Activity" and "—Originating and Connecting Passengers" in this section, "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements" and "CERTAIN INVESTMENT CONSIDERATIONS—Risks Related to Airline Operations and Activity—*Financial Condition of the Airlines*", "*—Risk of Airline Bankruptcies*" and "*—Risks Related to Airline Operations and Activity—Concentration of Airline Market Share—Prospective Merger*."

American. American had the fourth largest market share at the Airport in 2021. With no connecting enplaned passenger traffic, American does not use the Airport as a major hub and accounted for 4.9% of passenger enplanements at the Airport in 2021.

Delta. Delta had the fifth largest market share at the Airport in 2021. Delta does not use the Airport as a connecting hub and accounted for 4.6% of passenger enplanements at the Airport in 2021.

Other Airlines. Other than the United Group, Southwest, Frontier, American and Delta, no single airline accounted for more than 4.0% of passenger enplanements at the Airport in 2021. See "Aviation Activity—*Passenger Traffic*" in this section, as well as "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements."

Availability of Information Concerning Individual Airlines. Certain of the airlines or their parent corporations, including United, Southwest, Delta and American, are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and as such are required to file periodic reports, including financial and operational data, with the U.S. Securities and Exchange Commission (the "**SEC**"). All such reports and statements can be inspected and copied at the public reference facilities maintained by the SEC, which can be located by calling the SEC at 1-800-SEC-0330. Reports, proxy statements and other information of registrants that file electronically with the SEC may be accessed and downloaded for free from the SEC's EDGAR website at https://www.sec.gov/edgar.shtml. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation (the "**DOT**"). Information collected from these reports is available for inspection at the DOT's Bureau of Transportation Statistics, 1200 New Jersey Avenue, SE, Washington, D.C. 20590, and copies of such reports can be obtained from its website at https://www.bts.gov.

None of the City, the Department, the Municipal Advisor, or the Underwriters undertakes any responsibility for, and none of them makes any representations as to, the accuracy or completeness of the content of information available from the SEC or the DOT as discussed above, including, but not limited to, updates of such information or links to other Internet sites accessed through the SEC or the DOT websites. The contents of such websites are not incorporated into this Official Statement by this reference.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depositary Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments, or foreign corporations operating airlines, file limited information only with the DOT.

Aviation Activity

Passenger Traffic. Denver's central geographic location makes it a major destination point for communities throughout the Rocky Mountain region and a major transportation hub for airline flights connecting between the east and west coasts and other major metropolitan centers. According to statistics compiled by Airports Council International for 2021, the Airport was ranked as the 3rd busiest airport in the nation and the 3rd busiest airport in the world based on total passengers, servicing 58.8 million passengers in 2021. The Airport maintained its national ranking compared to 2020 and increased its national ranking compared to 2019, while increasing its global ranking compared to 2020 and 2019.

With a few exceptions (including during the COVID-19 pandemic), the Airport has experienced continual growth in both passenger traffic and associated revenues since it opened in 1995. The Airport served approximately 29.4 million enplaned passengers (passengers embarking on airplanes) in 2021, constituting an approximately 74.3% increase compared to the approximately 16.9 million enplaned passengers served in 2020 and an approximate 14.8% decrease from the 34.5 million enplaned passengers served in 2019, which was the Airport's highest number of annual enplaned passengers since it opened in 1995. Approximately 58.8% of passengers originated or terminated their air travel at the Airport in 2021, compared to approximately 59.4% in 2020 and 64.4% in 2019. Approximately 41.2% of passengers made connecting flights at the Airport in 2021, compared to approximately 40.6% in 2020 and 35.6% in 2019.

The following table sets forth the number of enplaned passengers at the Airport by passenger type for Fiscal Years 2012 through 2021 and for the first nine months of 2019 through 2022.

Table 3
History of Enplaned Passengers at the Airport by Traffic Type

Year	Enplaned Passengers (millions)	Percent Change	Percent Domestic	Percent International
2012	26.597[1]	0.5%	96.7%	3.3%
2013	26.285	(1.2)	96.3	3.7
2014	26.737	1.7	95.8	4.2
2015	27.019	1.1	95.9	4.1
2016	29.140	7.9	96.1	3.9
2017	30.714	5.4	95.8	4.2
2018	32.259	5.0	95.4	4.6
2019	34.513	7.0	95.4	4.6
2020[2]	16.874	(51.1)	97.3	2.7
2021[2]	29.418	74.3	96.8	3.2
Jan-Sept				
2019[3]	25.932	7.3	95.4	4.6
2020[2]	12.198	(53.0)	97.1	2.9
2021[2]	21.246	74.2	97.1	2.9
2022	25.621	20.6	95.2	4.8

[1] Compared to 26.456 million enplaned passengers in 2011.
[2] Data reflects reduced passenger volume due to COVID-19.
[3] Percentage changes are from the same period in 2018.

Source: Department of Aviation management records.

Future levels of aviation activity and enplaned passenger traffic at the Airport will be dependent upon many local, regional, national and international factors including: national and international economic conditions, population and the economy of the Airport service region, national and local unemployment rates, political conditions including wars, other hostilities and acts of terrorism, aviation security and public health concerns, the financial health of the airline industry and of individual airlines, airline service and route networks, airline competition and airfares, airline mergers, the sale of airlines, alliances and consolidations, aviation industry workforce shortages, availability and the price of aviation and other fuel, employee cost and availability and labor relations within the airline industry, capacity of the national air transportation system and of the Airport, accidents involving commercial passenger aircraft, visa requirements and other limitations on the ability of foreign citizens to enter the United States, currency exchange rates, and the extent and continuation of the COVID-19 pandemic and occurrence of other pandemics and natural and man-made disasters. See "EFFECT OF COVID-19 ON

THE AIRPORT," "CERTAIN INVESTMENT CONSIDERATIONS" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT" herein.

The following table sets forth the number of enplaned passengers at the Airport by type of airline for the past five years and the first nine months of 2019 through 2022.

Table 4
Enplaned Passengers by Airline Type

	Major/National Airlines		Foreign Flag Airlines		Regional/Commuter Airlines		Charter/ Miscellaneous Airlines		Total Airlines	
Year	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change
2017[1]	26,288,610	6.9%	502,685	24.2%	3,921,476	(5.2%)	1,240	(69.8%)	30,714,011	5.4%
2018	27,372,672	4.1	632,681	25.9	4,252,809	8.4	1,055	(14.9)	32,259,217	5.0
2019	29,288,442	7.0	675,558	6.8	4,547,258	6.9	1,696	60.8	34,512,954	7.0
2020	14,462,035	(50.6)	146,242	(78.4)	2,265,159	(50.2)	407	(76.0)	16,873,843	(51.1)
2021	25,601,302	77.0	259,602	77.5	3,556,567	57.0	411	1.0	29,417,882	74.3
Jan-Sept										
2019[2]	21,961,896	7.2	532,911	8.3	3,435,935	7.9	1,165	39.2	25,931,907	7.3
2020	10,444,067	(52.4)	122,544	(77.0)	1,630,666	(52.5)	278	(76.1)	12,197,565	(53.0)
2021	18,413,438	76.3	160,068	30.6	2,672,739	63.9	130	(53.2)	21,246,375	74.2
2022	22,778,357	23.7	439,647	174.7	2,402,673	(10.1)	152	16.9	25,620,829	20.6

[1] Percentage changes are from 2016.
[2] Percentage changes are from the same period in 2018.

Source: Department of Aviation management records.

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The following table sets forth the percentage of enplaned passengers at the Airport by airline for the past five years and for the first nine months of 2019 through 2022. Totals may not add due to rounding.

Table 5
Percentage of Enplaned Passengers by Airline

Airline	2017	2018	2019	2020	2021	January-September 2019	January-September 2020	January-September 2021	January-September 2022
United	30.7%	30.9%	32.1%	29.0%	31.3%	32.1%	28.2%	30.1%	36.8%
United Express	11.6	12.6	12.6	13.1	12.6	12.6	13.1	13.0	9.7
Total United Group	42.3	43.5	44.7	42.1	43.9	44.7	41.3	43.1	46.5
Southwest	29.7	29.1	27.4	30.3	31.7	27.2	30.8	32.1	30.5
Frontier	11.4	11.5	12.1	14.0	11.0	12.2	13.6	11.4	9.6
American	5.5	5.0	4.7	5.2	4.9	4.7	5.2	5.0	3.9
Delta	5.3	5.4	5.3	4.1	4.6	5.4	4.4	4.6	4.9
Other[1]	5.8	5.6	5.8	4.3	3.9	5.8	4.7	3.8	4.6
Total Non-United Group	57.7	56.5	55.3	57.9	56.1	55.3	58.7	56.9	53.5
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.00%	100.0%	100.0%	100.0%

[1] Includes other airlines with scheduled flights at the Airport.

Source: Department of Aviation management records.

Summary of Aviation Activity. The table on the following page sets forth a summary of selected aviation activity at the Airport for the past five years and for the first nine months of 2022 and 2021. Totals may not add due to rounding.

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Table 6
Summary of Selected Aviation Activity

	2017	2018	2019	2020	2021	January-September 2021	January-September 2022
Enplaned Passengers (millions):							
United	9.429	9.963	11.084	4.891	9.208	6.398	9.426
United Express	3.548	4.064	4.353	2.216	3.706	2.763	2.491
Total United Group	12.977	14.028	15.436	7.107	12.915	9.160	11.917
Southwest	9.137	9.386	9.467	5.114	9.317	6.817	7.813
Frontier	3.501	3.696	4.177	2.355	3.226	2.423	2.458
Delta	1.636	1.728	1.837	0.697	1.354	0.973	1.266
American	1.683	1.620	1.633	0.875	1.446	1.060	0.995
Other	1.780	1.801	1.963	0.725	1.161	0.814	1.172
Total	30.714	32.259	34.513	16.874	29.418	21.246	25.621
Percent Change from Prior Year	*5.4%*	*5.0%*	*7.0%*	*(51.1%)*	*74.3%*	*74.2%*	*20.6%*
Originating Passengers (millions):	19.656	20.746	22.259	10.032	17.322	12.457	15.161
Percent of Total Enplaned	64.0%	64.3%	64.5%	59.5%	58.9%	58.6%	59.2%
Connecting Passengers (millions):	11.058	11.513	12.254	6.842	12.096	8.789	10.460
Percent Connecting of Total Enplaned	36.0%	35.7%	35.5%	40.5%	41.1%	41.4%	40.8%
United Group Passengers:							
Percent Originating	43.2%	44.8%	45.1%	41.0%	40.7%	39.9%	43.6%
Percent Connecting	56.8%	55.2%	54.9%	59.0%	59.3%	60.1%	56.4%
Southwest Passengers:							
Percent Originating	72.2%	72.6%	72.5%	65.3%	62.1%	61.9%	60.9%
Percent Connecting	27.8%	27.4%	27.5%	34.7%	37.9%	38.1%	39.1%
Frontier Passengers:							
Percent Originating	74.7%	73.5%	77.5%	65.8%	74.1%	73.9%	76.3%
Percent Connecting	25.3%	26.5%	22.5%	34.2%	25.9%	26.1%	23.7%
American Passengers:							
Percent Originating	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percent Connecting	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Delta Passengers:							
Percent Originating	95.7%	95.3%	95.2%	96.2%	100.0%	100.0%	100.0%
Percent Connecting	4.3%	4.7%	4.8%	3.8%	0.0%	0.0%	0.0%
Average Daily Departures[1]:							
Passenger Airlines:							
United Express	194	226	245	162	219	165	139
United	177	182	198	117	184	131	176
Southwest	190	191	194	163	204	152	162
Frontier	60	63	71	50	58	44	43
Delta	38	36	36	22	32	24	25
American	31	30	30	20	28	20	19
Other	65	53	54	30	31	22	28
Total Passenger Airlines	755	781	828	562	756	558	592
All-Cargo Airlines	27	29	31	33	35	26	26
Total	782	810	859	596	792	584	617
Percent Change from Prior Year	*1.8%*	*3.6%*	*6.1%*	*(30.6%)*	*32.9%*	*35.0%*	*5.7%*
Landed Weight (billion pounds):							
Passenger Airlines:							
United	10.225	10.642	11.902	6.948	10.877	7.742	10.383
United Express	4.064	4.571	4.885	3.367	4.637	3.529	2.904
Southwest	9.153	9.333	9.456	8.009	10.128	7.518	8.049
Frontier	3.208	3.413	3.866	2.724	3.241	2.447	2.373
Delta	1.728	1.809	1.651	1.174	1.849	1.379	1.416
American Airlines	1.759	1.672	1.865	1.049	1.568	1.163	1.031
Other	2.356	2.286	2.396	1.059	1.441	1.023	1.477
Total Passenger Airlines	32.492	33.725	36.021	24.330	33.741	24.801	27.634
All-Cargo Airlines	1.392	1.491	1.647	1.816	1.873	1.317	1.322
Total	33.884	35.216	37.668	26.146	35.614	26.118	28.956
Percent Change from Prior Year	*4.5%*	*3.9%*	*7.0%*	*(30.6%)*	*36.2%*	*38.5%*	*10.9%*
Enplaned Cargo (million pounds)[2]	238.848	258.263	285.638	293.287	282.964	206.247	228.131
Percent Change from Prior Year	*4.1%*	*8.1%*	*10.6%*	*2.7%*	*(3.5%)*	*(3.4%)*	*10.6%*
Total Aircraft Operations (Landings/Take-Offs):							
Air Carriers	461,992	462,276	487,725	343,922	471,690	348,560	377,468
Commuter/Military/Taxi/General Aviation	120,494	141,127	152,373	98,649	122,226	91,001	81,855
Total	582,486	603,403	640,098	442,571	593,916	439,561	459,323
Percent Change from Prior Year	*1.7%*	*3.6%*	*6.1%*	*(30.9%)*	*34.2%*	*36.8%*	*4.5%*

[Footnotes for Table 6 are on the next page]

1 Year 2020 was a leap year and reflects daily usage based on 366 calendar days.
2 The weight of enplaned cargo does not impact the Airport System's Gross Revenues. Revenue is received from cargo carriers only from landing fees and space rentals, which historically have constituted less than 3% of Gross Revenues.
Source: Department of Aviation management records.

Monthly Passenger Traffic. The table below depicts the number of enplaned passengers by month for each of the years 2021, 2020 and 2019, as well as the first nine months of 2022.

Enplaned Passengers by Month

Month	2019	2020	2021	2022
January	2,459,899	2,599,345	1,417,772	2,136,306
February	2,297,474	2,451,712	1,395,200	2,289,711
March	2,746,628	1,466,549	1,970,792	2,833,251
April	2,657,958	149,805	2,202,529	2,735,360
May	3,037,305	419,952	2,540,357	2,998,057
June	3,171,497	872,978	2,834,485	3,110,436
July	3,352,265	1,287,668	3,188,165	3,215,435
August	3,210,932	1,498,373	2,963,413	3,152,503
September	2,997,949	1,451,183	2,733,662	3,149,770
October	3,049,321	1,667,256	2,858,983	--
November	2,663,103	1,442,778	2,648,705	--
December	2,868,623	1,566,244	2,663,819	--
Total:	34,512,954	16,873,843	29,417,882	25,620,829

Source: Department of Aviation management records.

Originating and Connecting Passengers

Originating passengers are those enplaned passengers whose flights originate at the Airport (residents and visitors) and who are not connecting from another flight. See "Aviation Activity—*Summary of Aviation Activity*" above.

In 2021, approximately 17.3 million passengers, or 58.9% of the approximately 29.4 million enplaned passengers at the Airport originated at the Airport. United (including its regional airline affiliates operating as United Express), Southwest, and Frontier accounted for approximately 30.4%, 33.4%, and 13.8% of originating enplaned passengers at the Airport in 2021, respectively. For the first nine months of 2022, United (including its regional airline affiliates operating as United Express), Southwest, and Frontier accounted for approximately 34.3%, 31.4%, and 12.4% of originating enplaned passengers at the Airport, respectively.

Most major airlines have developed their current route systems around connecting passenger hubs at particular airports. The Airport serves as an important hub in the route system of United and Southwest. In addition, the Airport is presently Frontier's only hub. Approximately 12.1 million passengers (41.1% of total enplaned passengers) connected from one flight to another in 2021. Nearly all of the passengers using the Airport as a connecting hub connected between the flights of United (including its regional airline affiliates operating as United Express), Southwest, or Frontier, which accounted for approximately 63.3%, 29.2%, and 6.9% of the connecting enplaned passengers at the Airport in 2021, respectively. For the first nine months of 2022, United (including its regional airline affiliates operating as United Express), Southwest, and Frontier accounted for approximately 64.3%, 29.2%, and 5.6% of connecting enplaned passengers at the Airport, respectively. See "Aviation Activity—*Summary of Aviation Activity*" above.

AGREEMENTS FOR USE OF AIRPORT FACILITIES

The City, for and on behalf of the Department, has entered into numerous agreements in connection with the operation of the Airport. The Use and Lease Agreements with passenger airlines operating at the Airport and certain other such agreements are discussed below.

Passenger Airlines Use and Lease Agreements

Generally. Certain of the airlines, inclusive of cargo and passenger airlines, executed Use and Lease Agreements with the City, for and on behalf of the Department, (as previously defined, the "**Signatory Airlines**"). Of such Signatory Airlines, the following airlines have preferential use of leased gates pursuant to their Use and Lease Agreements: United, Southwest, Frontier, American, Delta, Spirit Airlines, and Alaska Airlines. As of October 26, 2022, 134 gates are leased on a preferential use basis by the above airlines and 10 gates are controlled by the Airport and used on a non-preferential use basis by various airlines. Upon completion of the concourse expansion program (including the new Concourse A (East) ground loading facility) and relocation of airlines to these gates, it is expected that 158 gates will be leased on a preferential basis by the above airlines and eight gates will be controlled by the Airport and used on a non-preferential use basis by various airlines.

The following Signatory Airlines do not lease gates under their respective Use and Lease Agreements but, rather, either operate from gates pursuant to their affiliation with other Signatory Airlines that lease gates at the Airport, use gates or parking positions controlled by the City, use cargo facilities, or use common use international or commuter gates in Concourse C: AeroMéxico, Air Canada, Air France, British Airways, Cayman Airways, Copa Airlines, Denver Air Connection, Edelweiss, Icelandair, Jazz Aviation, JetBlue Airways Corporation, Lufthansa, SkyWest Airlines, Southern Airways Express, Sun Country Airlines, Volaris, and WestJet. See "AVIATION ACTIVITY AND AIRLINES—Airlines Serving the Airport."

All Use and Lease Agreements with passenger Signatory Airlines expired on December 31, 2021 (with the exception of United and Southwest, each of which expires in 2035, and Frontier, which expires 10 years after the date of occupancy by Frontier of the new Concourse A (East) ground load facility). The City has exercised the first of two one-year extensions to the Use and Lease Agreements expiring on December 31, 2022. The City has the option to extend for one additional year, through December 31, 2023. The City is negotiating the terms of new Use and Lease Agreements with the Signatory Airlines whose Use and Lease Agreements are expiring on December 31, 2022. However, if the new Use and Lease Agreements are not executed by such date, the City intends to extend the term of the existing Use and Lease Agreement through December 31, 2023.

In the passenger airline Use and Lease Agreements (1) each passenger Signatory Airline and the City agree to a compensatory methodology for establishing terminal rental rates and a cost center residual methodology for establishing landing fees, (2) each Signatory Airline acknowledges that the rate base for rentals, fees and charges must generate Gross Revenues that, together with Other Available Funds (consisting of transfers from the Capital Fund), are sufficient to satisfy the Senior Rate Maintenance

Covenant, and agrees to pay such rentals, rates, fees and charges, (3) the City is permitted from time to time to amend the rate-making system with the written consent of a majority of the Signatory Airlines represented by (a) a numerical majority and (b) a majority in terms of rentals, rates, fees and charges paid in the preceding Fiscal Year, and (4) the City is also permitted to adjust rates and charges at the beginning of each Fiscal Year and during each Fiscal Year after mid-year review and consultation with the Signatory Airlines. In all passenger airline Use and Lease Agreements executed since 2005, the provisions thereof dealing with utilization of preferential gates have been modified in order to provide for a more efficient utilization of these gates.

As described above, the City is permitted to adjust rates and charges at the beginning of and during each Fiscal Year. For adjustments at the beginning of each Fiscal Year, not later than 45 days prior to the end of the prior Fiscal Year, the City is required to furnish the Signatory Airlines with projections of the rentals, rates, fees and charges for the ensuing Fiscal Year for each cost center of the Airport and of each Signatory Airline's cost per enplaned passenger for the ensuing Fiscal Year. Not later than 30 days prior to the end of each Fiscal Year, the City and the Signatory Airlines are required to consult and review the projections of rentals, rates, fees and charges for the next ensuing Fiscal Year. For adjustments during a Fiscal Year, the City is required to furnish the Signatory Airlines in August (for United) or no later than September 1 of such Fiscal Year with a projection of rentals, rates, fees and charges (the "**Mid-Year Projection**"), which is required to reflect the most recently available information regarding current aircraft operations and enplaned passengers, as well as expenses actually incurred and revenues realized to date during such Fiscal Year. The City is also required to provide (i) a pro forma projection of revenues and expenses for the current Fiscal Year to each Signatory Airline and (ii) a projection of cost per enplaned revenue passenger to United. With respect to United, within 15 days of providing such projections, the City is required to convene a meeting with United to consult and review the Mid-Year Projection and any adjustments to the monthly rentals, rates, fees and charges for the Fiscal Year. With respect to the other Signatory Airlines, the City is required to convene a meeting with the Signatory Airlines to consult and review the Mid-Year Projection and any adjustments to the monthly rentals, rates, fees and charges for the Fiscal Year.

The cost per enplaned passenger for all airlines at the Airport for each of the years 2017 through 2021 is set forth in the following table.

Table 7
Cost per Enplaned Passenger

Year	Airline Costs for CPE Calculation	Total Enplaned Passengers	Cost Per Enplaned Passenger	Percent Change
2017	$328,453,651	30,714,011	$10.69	(2.1%)[1]
2018	340,741,036	32,259,217	10.56	(2.1)
2019	356,248,819	34,513,011	10.33	(2.2)
2020	337,580,934	16,873,843	20.01[2]	93.7[2]
2021	303,363,308	29,417,882	10.31	(48.3)

[1] Compared to the cost per enplaned passenger of $10.92 in 2016.
[2] Reflects significant reduction in enplaned passenger volume due to the COVID-19 pandemic.

Source: Department of Aviation management records.

Pursuant to the Use and Lease Agreements, for Fiscal Years 2006 and thereafter, 50% of Net Revenues remaining after payment of debt service and fund deposit requirements, with an annual maximum of $40 million, is required to be credited to the Airline Revenue Credit Account of the Capital Fund to be applied as a credit against Signatory Airline rentals, fees and charges in the following Fiscal Year (the "**Revenue Share**"), with the balance to be credited to the Capital Improvement Account of the Capital Fund to be used for any lawful Airport purpose. As part of the COVID-19 Relief Policy, the Department granted additional credit to certain Signatory Airlines, as described under "EFFECT OF COVID-19 ON THE AIRPORT—Summary of Department Actions Taken in Response to COVID-19."

The City may terminate a Use and Lease Agreement after a 15-day (in the case of payment defaults) or 30-day notice and cure period, as applicable, in the event that the airline either (1) fails to pay the rentals, rates, fees, charges or other money payments that it has agreed to pay pursuant to the Use and Lease Agreement, (2) uses its leased property at the Airport for any purpose not authorized by the Use and Lease Agreement or permits the use thereof in violation of any law, rule, or regulation to which the Signatory Airline has agreed to conform, (3) sublets its leased property at the Airport other than as permitted by the Use and Lease Agreement, (4) becomes subject to certain insolvency events, or (5) fails to comply with certain federal regulations in connection with the use of its leased property at the Airport. In addition, for Signatory Airlines other than United, the City may terminate the Use and Lease Agreement if any of the Signatory Airline's directors or officers assigned to or responsible for operations at the Airport shall be or have been convicted of any crime which is a disqualifying offense under federal statutes governing issuance of airport security badges.

An airline may terminate the Use and Lease Agreement after a 30-day notice and cure period, whether or not Senior Bonds, Subordinate Bonds or other obligations of the City or the Department are outstanding, in the event that: (1) its governmental authorization to operate aircraft in or out of the Airport is withdrawn, so long as (a) it did not request such withdrawal, (b) the City has been given the opportunity to appear before the appropriate governmental entity prior to such withdrawal, or (c) the airline has given the City reasonable advance notice of the possible occurrence of such withdrawal; (2) a court of competent jurisdiction issues an injunction against the City preventing the operation of the Airport and such injunction remains in effect for 90 days or more and is not stayed; or (3) the operation of the Airport is substantially restricted by reason of governmental action or casualty (not caused by the airline) and such restriction remains in effect for 90 days or more. Additionally, in the case of United, United may also terminate its Use and Lease Agreement if (1) the City fails to observe or perform any material covenant in the United Use and Lease Agreement or (2) United's cost per enplaned revenue passenger for any Fiscal Year exceeds an average of $20 in 1990 dollars (which is approximately $46.62 in 2021 dollars), which cost threshold has not been reached in the past and is not expected to be reached during the term of the United Use and Lease Agreement.

Upon the expiration or termination of a Use and Lease Agreement, an airline agrees to surrender the leased premises and the City has the right to possession of such premises with or without process of law. Holding over by an Airline following the expiration of the term of a Use and Lease Agreement or any extension thereof, without an express agreement as to such holding over, is deemed to be a periodic tenancy on a month-to-month basis. In such case, an Airline is subject to all the terms and conditions of the Use and Lease Agreement. Rent, fees, and charges for each month of such holding over is required to be paid by the airline to the City as provided in the Use and Lease Agreement and in a sum equal to the monthly rental required for the month prior to the end of the term of such agreement or as reestablished as provided for therein.

United Use and Lease Agreement. United leases gates under a Use and Lease Agreement originally entered into in January 1992 (as previously defined, the "**United Use and Lease Agreement**") with substantially the same terms as the other passenger airlines' Use and Lease Agreements described in "*Generally*" above. The United Use and Lease Agreement has been amended several times since 1992, including in 2014 when the term was extended to the current term ending February 2035 (the "**2014**

Amendment"). Pursuant to the United Use and Lease Agreement, United has agreed to lease, on a preferential basis, certain concourse and terminal space, full service contact gates, ground loading positions, baggage system space, hangers, and various other areas at the Airport, including 69 full service contact gates and six ground loading positions on Concourse B, as well as nine ground loading positions on Concourse A. See also "AVIATION ACTIVITY AND AIRLINES—Airline Information—*The United Group*."

Under the 2014 Amendment, United agreed to maintain a minimum level of 9.1% of global United Available Seat Miles ("**ASMs**") subject to the calculations described in the 2014 Amendment. If United fails to meet those ASMs requirements, United is not in default of the United Use and Lease Agreement. However, in the event of such failure, United is required to make certain financial assurance payments to the City, subject to a cap of $12 million per year in 2022-2025. United has met the ASMs requirement every year since the 2014 Amendment.

Southwest Use and Lease Agreement. Southwest leases gates under a new Use and Lease Agreement entered into on March 20, 2020 (as previously defined, the "**Southwest Use and Lease Agreement**") with substantially the same terms as the other passenger airlines' Use and Lease Agreements described in "*Generally*" above, but expanding the preferential gate capacity for Southwest in Concourse C. Under the Southwest Use and Lease Agreement, Southwest agreed to lease, on a preferential use basis, certain gates, holdrooms, and mezzanine, apron and other areas on Concourse C and areas in the terminal complex of the Airport, and, on an exclusive use basis, certain Southwest offices and other areas in the terminal complex of the Airport, all through February 2035. Southwest currently leases 32 full service contact gates on Concourse C. The Southwest Use and Lease Agreement contains a provision in which the City and Southwest agree that the Southwest Use and Lease Agreement will terminate at such time as the City completes negotiations for a new Airport Use and Lease Agreement to govern the use and leasing of facilities at the Airport by passenger air carriers (a "**New Use and Lease Agreement**"), and simultaneously with the termination of the current Southwest Use and Lease Agreement, the City and Southwest will enter into a new Southwest Use and Lease Agreement on the same business terms as the New Use and Lease Agreement, provided the new Southwest Use and Lease Agreement will have a term ending no earlier than February 28, 2035 and will continue to provide Southwest preferential rights to the existing 32 Southwest gates, plus additional gates to be phased in as a result of the completion of the Concourse C expansion project for a total of 40 gates, and certain other Airport facilities as provided in the current Southwest Use and Lease Agreement.

Frontier Use and Lease Agreement. Effective as of May 2022, the City, for and on behalf of the Department, executed a new Use and Lease Agreement with Frontier. The new Use and Lease Agreement with Frontier is substantially similar to the other passenger airlines' Use and Lease Agreements described herein, but also expands the preferential gate capacity for Frontier in the new Concourse A (East) ground load facility. Under the Frontier Use and Lease Agreement, Frontier agreed to lease, on a preferential use basis, the new Concourse A (East) ground load facility, which the City will expand to include five additional ground loading positions, for a total of 14 ground loading positions. Frontier also will lease approximately 18,000 square feet of support space in the general vicinity. The term of this lease will end 10 years from the date when Frontier occupies the 14th gate in the new Concourse A (East) ground load facility. Such date has not yet been determined but will be memorialized in writing by the City and Frontier upon completion of the new Concourse A (East) ground load facility which is expected to be fully built and operational on or about June 2024. Until such time, Frontier will continue to operate at the Airport under its existing Use and Lease Agreement. As part of a phasing plan, Frontier is expected to occupy the first four gates within the new Concourse A (East) ground load facility on or about March 2024.

Cargo Operations Leases

The City has executed Use and Lease Agreements with the following all-cargo airlines, which also constitute Signatory Airlines: Air Transport International, Inc., ABX Air Inc., Atlas Air/Amazon Prime, Bemidji Aviation Services, Inc., DHL Express (USA), Inc., FedEx Corporation, Key Lime Air Corporation, Southern Air and United Parcel Service. Alpine Air Express, Inc., Ameriflight and Kalitta Air, LLC also provide cargo airline services at the Airport, but are not Signatory Airlines. Air General and Swissport Cargo Services lease space in a cargo building and provide only cargo handling services. The City also has executed a ground lease with the U.S. Postal Service for its sorting and distribution facilities at the Airport. See also "AVIATION ACTIVITY AND AIRLINES—Airlines Serving the Airport" above.

There are currently at least two other airports in the Denver metropolitan area that are physically capable of handling the same types of aircraft utilized by carriers that conduct cargo operations at the Airport. To the extent that any such carriers elect to discontinue operations at the Airport in favor of an alternative local site, Net Revenues would not be materially adversely affected. The Airport receives revenue from cargo carriers only from landing fees and space rentals, which historically have constituted less than 3% of Gross Revenues.

Other Building and Ground Leases

The City has entered into a Use and Lease Agreement with Continental (now a subsidiary of United) with respect to certain support facilities originally built for Continental's then-planned hubbing operation at the Airport (portions of which are being subleased by Continental to other users) and special facilities leases and ground lease agreements with United and each of the rental car companies currently operating at the Airport with respect to their respective facilities at the Airport. In 2014, the City negotiated with United for an early termination of a Continental Special Facilities and Ground Lease to take possession of the former Continental hangar. This hangar and the 58.6-acre site were immediately leased to Frontier through May 2029.

In August 2020, the City, acting for and on behalf of the Department, and Southwest entered into a hangar lease agreement, pursuant to which the City leased an approximately 24.7-acre site to Southwest for purposes of constructing and operating an aircraft maintenance hangar and related buildings, improvements, fixtures, and equipment. In addition, Southwest agreed to construct, at their expense, a taxiway connection to the hangar on the leased site. The hangar lease agreement has a term of 32 years, subject to early termination upon occurrence of certain events or upon expiration of the Use and Lease Agreement with Southwest.

On March 1, 2015, after the expiration of the Special Facilities Lease with LSG Sky Chefs, the north campus flight kitchen was leased to Southwest through February 29, 2020. This lease is currently in holdover and the Department expects to extend the agreement on substantially the same business terms as the existing lease. On June 30, 2018, the leases with Continental for an additional flight kitchen, cargo building, as well as a ground support equipment maintenance building expired, and the facilities were leased to LSG Sky Chefs through May 31, 2021, Swissport through December 31, 2022, and United Airlines, Southwest Airlines, and SkyWest Airlines through August 31, 2024. In addition, in 1995, the City leased a 12.4-acre site for 30 years to Signature Flight Support (formerly AMR Combs), which has financed and constructed general aviation facilities on the site. See also "DENVER INTERNATIONAL AIRPORT—Other Facilities," "FINANCIAL INFORMATION—Outstanding Senior Bonds; and—Special Facilities Bonds."

Effect of Bankruptcy on Airline Agreements and Other Obligations

For a discussion of the effect of airline bankruptcies on agreements with, and certain other financial obligations to, the City in connection with the Airport, see "CERTAIN INVESTMENT CONSIDERATIONS— Risks Related to Airline Operations and Activity—*Risk of Airline Bankruptcies*."

Systems Leases

Certain systems at the Airport, including fueling, are being operated by the airlines. The City has leased the hydrant fueling system to certain of the airlines and cargo carriers, who have contracted with Aircraft Service International, Inc. to operate that system.

Other Agreements

The City has also entered into various agreements in addition to those described above that generate a significant portion of Gross Revenues. The following is a brief description of some of these additional agreements. The revenues received from the following agreements constitute only a portion of the concession, parking, rental car, and hotel revenue set forth in "FINANCIAL INFORMATION—Historical Financial Operations." See also "EFFECT OF COVID-19 ON THE AIRPORT."

Concessions, Advertising, and Other Services. Concessions, advertising, and other services are provided in the terminal complex and areas adjacent to Peña Boulevard by concessionaires and nonairline tenants under agreements with the City that provide for the payment to the City of the greater of a minimum annual guarantee, that was set by the City to recover the cost of the space occupied by nonairline tenants, or a percentage of gross revenues. The concession agreements also contain a reestablishment clause allowing the City to adjust rents within certain parameters if necessary to satisfy any Rate Maintenance Covenant.

During Fiscal Years 2021, 2020 and 2019, revenues from concessions, advertising, and other services constituted approximately 9.65%, 7.64% and 9.88% of Airport System operating revenues, respectively, and approximately 7.90%, 6.04% and 7.77% of Airport Gross Revenues, respectively. The Airport does not have one or two "master concessionaires" under contract who, in turn, sublease the concessions to others. Since its opening in 1995, the Airport's program has emphasized direct contracting with individual concessionaires, providing opportunities for small businesses, greater competition, more choices for consumers and more revenue to the Airport.

Public Parking. Public automobile parking at the Airport is accommodated in parking structures, economy lots adjacent to the terminal, a remote shuttle parking lot and an overflow shuttle lot. The City has agreements with private contractors to manage these public parking facilities at the Airport, and also a concession agreement with a company operating a private parking lot on Airport property with approximately 1,500 spaces. During Fiscal Years 2021, 2020 and 2019, public parking revenues constituted approximately 20.63%, 14.91% and 23.45% of Airport System operating revenues, respectively, and approximately 15.90%, 11.80% and 18.45% of Gross Revenues, respectively. The City periodically increases parking rates in an effort to optimize revenue from public parking facilities at the Airport, and most recently adjusted the parking rates in July 2022 to $30 per day (an increase of $2.00 per day) in the garages and to $18 per day (an increase of $1.00 per day) in the long-term surface lots.

Car Rentals. The City has car rental concession agreements with rental car companies to provide service at the Airport. Under the original concession agreements, which expired on December 31, 2020 and were on holdover with month-to-month terms until January 1, 2022, each company pays to the City the greater of a minimum annual guarantee or a percentage of annual gross revenues. Effective January 1, 2022, the City, for and on behalf of the Department, executed a second amendment and restatement of the agreements, incorporating all concessions terms and conditions under the previous agreements. The restatements terminate on the earlier of (i) December 31, 2027, or (ii) upon execution of a new agreement, and upon 180 days' termination notice provided by the Department. There can be no assurances that revenues received pursuant to new rental car concession agreements will continue to be pledged as Net Revenues in the future.

During 2022, the Department entered into a new operating permit with the car sharing companies operating at the Airport. Car sharing allows private car owners the ability to rent their own vehicles via an online and/or mobile interface. The new operating permit provided for an increase in the Department share of car sharing revenue from 5% to 10%.

For Fiscal Years 2021, 2020 and 2019, car rental revenues constituted approximately 10.57%, 7.77% and 9.26% of Airport System operating revenues, respectively, and approximately 8.44%, 6.15% and 7.29% of Gross Revenues, respectively. ***Ground Transportation Services***. The City charges operators of all commercial ground transportation vehicles operating at the Airport based on the frequency and duration of their use of the Jeppesen Terminal roadways and curbside. Commercial vehicle operators include buses, limousines, shuttles, hotel/motel courtesy vans, off-Airport rental car vans, off-Airport parking vans, taxicab operators, and transportation network companies ("**TNCs**"), such as Uber and Lyft. Prior to COVID-19, the number of trips of commercial vehicle operators at the Airport had grown, due in part to the addition of TNCs servicing the Airport beginning in 2014. Ground transportation services revenues constituted approximately 1.93%, 1.45%, and 2.30% of Airport System operating revenues and approximately 1.49%, 1.15%, and 1.81% of Gross Revenues in each of 2021, 2020 and 2019, respectively.

Airport Hotel. The Airport Hotel is a full service hotel consisting of 519 rooms. All of the annual revenues, operating expenses, and Debt Service Requirements associated with the Airport Hotel are the responsibility of the City. Under the HMA between the City and Westin, which expires in 2030, all Airport Hotel revenues remaining after payment of operations and maintenance expenses as set forth in the HMA and CMA, are required to be transferred to the Revenue Fund each month in accordance with provisions of the Senior Bond Ordinance and the Hotel Ordinance. During Fiscal Years 2021, 2020 and 2019 Airport Hotel revenues represented approximately 6.10%, 4.14% and 7.15% of Airport System operating revenues, respectively. See "DENVER INTERNATIONAL AIRPORT—Hotel and Transit Center—*The Airport Hotel*."

Other. Other nonairline revenues include storage area and building and terminal space (such as customer service counters) rentals by nonairline tenants at the Airport.

FINANCIAL INFORMATION

Historical Financial Operations

The following tables set forth comparative operating results of the Airport System for Fiscal Years 2017 through 2021 and for the first six months of 2019 through 2022. See also "APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2021 AND 2020" and "—Management's Discussion and Analysis of Financial Performance" below.

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Table 8-A
City and County of Denver Airport System
Statement of Revenues, Expenses and Changes in Net Assets
(Amounts in thousands. Totals may not add due to rounding.)

	Fiscal Year Ended December 31[1]				
	2017	2018	2019	2020	2021
Operating Revenues:					
Facility Rentals[*]	$180,443	$196,065	$210,836	$226,837	$187,007
Concession income	68,269	83,297	85,703	45,216	69,120
Parking income	176,006	189,890	203,502	88,259	147,809
Car rentals	71,806	72,621	80,348	45,993	75,703
Landing fees	171,708	161,981	175,636	135,708	150,575
Aviation fuel tax	25,993	25,039	25,464	9,789	21,626
Hotel	47,412	53,304	62,088	24,481	43,674
Ground Transportation[2]	12,449	17,313	19,997	8,575	13,848
Other sales and charges	14,839	8,850	4,219	6,952	7,034
Total operating revenues	768,925	808,360	867,793	591,810	716,396
Operating Expenses:					
Personnel services	163,808	173,979	194,317	198,582	178,530
Contractual services	223,844	227,918	241,264	193,606	213,225
Repair and maintenance projects	14,071	19,423	32,296	29,229	22,372
Maintenance, supplies and materials	24,452	24,378	28,649	19,092	18,867
Hotel	27,357	28,616	31,446	17,378	22,458
Legal/Claim reserve expense	--	--	56,000	18,013	5,961
Total operating expenses before depreciation, amortization and asset impairment	453,532	474,314	584,472	475,900	461,413
Operating income before depreciation, amortization and asset impairment	315,393	334,046	283,321	115,910	254,983
Depreciation and amortization	183,351	193,009	203,321	210,513	226,852
Operating income	132,042	141,037	80,000	(94,603)	28,131
Nonoperating revenues (expenses)					
Passenger facility charges[3]	118,333	123,907	132,484	64,922	113,500
Customer Facility Fees	19,492	20,019	21,525	10,621	15,585
Investment income	46,779	73,802	171,096	150,043	(34,937)
Interest expense	(188,152)	(214,799)	(270,394)	(247,293)	(221,738)
Stimulus Funds[4]	--	--	--	269,074	250,880
Grants	873	--	--	--	--
Other revenue (expense)[5]	4,286	(6,716)	(1,539)	(30,994)	(11,407)
Net nonoperating revenues (expenses)	1,611	(3,787)	53,172	216,373	111,883
Change in net assets before capital contributions	133,653	137,250	133,172	121,770	140,014
Capital grants[6]	55,879	26,730	15,301	33,773	24,814
Special Item[7]	--	--	(65,793)	--	
Change in net assets	$189,532	$163,980	$82,680	$155,543	$164,828

[Footnotes are after Table 8-B]

Table 8-B
City and County of Denver Airport System
Statement of Revenues, Expenses and Changes in Net Assets
(Amounts in thousands. Totals may not add due to rounding.)

Six Months Ended June 30, 2022 (unaudited)[1]

	2019	2020	2021	2022
Operating Revenues:				
Facility Rentals[*]	$109,975	$134,325	$108,062	$120,050
Concession income	42,197	22,797	23,890	48,767
Parking income	96,159	47,986	58,553	93,397
Car rentals	38,816	22,874	30,852	43,233
Landing fees	86,150	59,305	73,213	73,128
Aviation fuel tax	12,417	4,895	6,836	17,386
Hotel	30,054	15,116	16,904	31,341
Ground Transportation[2]	8,832	4,990	5,298	8,893
Other sales and charges	2,223	3,093	4,184	4,615
Total operating revenues	426,823	315,381	327,792	440,810
Operating Expenses:				
Personnel services	87,904	86,779	84,502	91,181
Contractual services	117,118	104,983	99,435	114,874
Repair and maintenance projects	3,953	10,933	6,120	9,119
Maintenance, supplies and materials	11,458	10,410	8,875	10,491
Hotel	15,225	10,475	9,396	13,870
Legal/Claim reserve expense	0	0	0	3,175
Total operating expenses before depreciation, amortization and asset impairment	235,658	223,580	208,328	242,710
Operating income before depreciation, amortization and asset impairment	191,165	91,801	119,464	198,100
Depreciation and amortization	97,604	102,548	106,452	116,194
Operating income	93,561	(10,747)	13,012	81,906
Nonoperating revenues (expenses)				
Passenger facility charges[3]	62,579	30,565	54,854	67,445
Customer Facility Fees	9,802	4,903	6,623	8,190
Investment income	50,211	38,510	26,457	24,159
Interest expense	(136,809)	(124,916)	($111,982)	(106,086)
Stimulus Funds[4]	0	129,760	34,843	0
Grants				
Other revenue (expense)[5]	1,155	114	(4,800)	1,689
Net nonoperating revenues (expenses)	(13,062)	78,936	5,995	(4,603)
Change in net assets before capital contributions	80,499	68,189	19,007	77,303
Capital grants[6]	546	1,647	1,831	11,787
Change in net assets	$81,045	$69,836	$20,838	$89,090

[Footnotes for Tables 8-A and 8-B are on the next page]

[1] See "— Management's Discussion and Analysis of Financial Performance" below.

[2] Year to year revenue increases (excepting COVID-19 impacted Fiscal Years 2020 and 2021) are driven primarily by increased use by travelers of TNCs. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Other Agreements—*Ground Transportation Services*."

[3] These amounts constitute revenues derived from the entire $4.50 PFC net of the PFC collection fees retained by the airlines. During this period, all PFC revenues have been allocated to the payment of debt service related to the automated baggage system and the original cost of the Airport. See "— Passenger Facility Charges" below.

[4] The Stimulus Funds reflects the debt service reimbursements under the Federal relief programs described under "EFFECT OF COVID-19 ON THE AIRPORT—Federal Relief Programs". For 2020, the Airport recognized as nonoperating revenue $269.1 million of the CARES Act Funds received as reimbursement for debt service payments. For 2021, the Airport recognized nonoperating revenue of $250.9 million consisting of CRRSAA Funds received as reimbursement for debt service payments ($48.6 million) and CRRSAA Funds designated for concessionaire relief ($7.1 million), as well as ARPA Funds ($195.2 million) received as reimbursement for debt service payments. Of the $250.9 million, (i) $48.6 million of CRRSAA Funds were deposited into the CRRSAA Irrevocable Escrow and $195.2 million of ARPA Funds were deposited into the ARPA Irrevocable Escrow, each to be applied to future Debt Service Requirements for Senior Bonds and/or Subordinate Debt Service Requirements and (ii) $7.1 million of the CRRSAA Funds were designated for concessionaire relief.

[5] Includes expenses incurred since February 1995 to maintain and preserve the former airport site.

[6] Pursuant to the Use and Lease Agreements, for Fiscal Years 2006 and thereafter, 50% of Net Revenues remaining after payment of debt service and fund deposit requirements, with an annual maximum of $40 million, is required to be credited to the Airline Revenue Credit Account of the Capital Fund to be applied as a credit against Signatory Airline rates and charges in the following Fiscal Year. A difference in facility rentals for Fiscal Year 2020 compared to Fiscal Year 2019 is due to the Department not accruing such credit in 2020 because the Net Revenues were not sufficient to generate the credit under the Use and Lease Agreements. For 2020, approximately $29.4 million out of the maximum $40.0 million of revenue credit was accrued and the facility rentals shown in the table are net of such amount.

[7] GASB issued pronouncement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments (GASB 34). GASB 34 defines Special Item as transactions or other events within the control of management that are significant and either unusual in nature or infrequent in occurrence. On August 12, 2019, the City, for and on behalf of the Department, exercised its right to terminate the Great Hall Agreement for convenience, with an effective termination date of November 12, 2019. A portion of the cost associated with the termination payments were determined not to be capitalizable costs.

Sources: Audited financial statements of the Airport System for Fiscal Years 2017-2021; Department of Aviation for unaudited figures for the period ended June 30, 2019-2022 and Department of Aviation management records.

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The following is a summary of the percentage changes in operating revenues for each of Fiscal Years 2021 and 2020 compared to Fiscal Year 2019:

	2021 / 2019 % change	**2020 / 2019 % change**
Operating revenue:		
Airline revenue		
Facility rentals	(11.30%)	7.59%
Landing fees	(14.27)	(22.73)
Total airline revenue	(12.65)	(6.19)
Non-airline revenue		
Parking	(27.37)	(56.63)
Concession	(5.78)	(47.24)
Car rental	(19.35)	(42.76)
Hotel	(29.66)	(60.57)
Aviation fuel tax	(15.07)	(61.56)
Ground transportation	(30.75)	(57.12)
Other sales and charges	66.72	64.77
Total non-airline revenue	(21.30)	(52.37)
Total operating revenue	(17.45%)	(31.80%)

Sources: Audited financial statements of the Airport System for Fiscal Years 2019-2021 and Department of Aviation management records.

The following is a summary of the percentage change in operating expenses before depreciation and amortization for each of Fiscal Years 2021 and 2020 compared to Fiscal Year 2019:

	2021 / 2019 % change	**2020 / 2019 % change**
Operating Expenses		
Personnel	(8.12%)	2.2%
Contractual services	(11.62)	(19.8)
Repair and maintenance projects	(30.73)	(9.5)
Maintenance, supplies, and materials	(34.14)	(33.4)
Hotel	(28.58)	(44.7)
Legal/claim reserve expense	(89.45)	(68.1)
Total operating expenses	(21.05)	(18.6%)

Sources: Audited financial statements of the Airport System for Fiscal Years 2019-2021 and Department of Aviation management records.

Cash and Liquidity

The table below shows the Airport System's fund balances for Fiscal Years 2021, 2020 and 2019.

Fund	December 31, 2021	December 31, 2020	December 31, 2019
Revenue Fund	$ 282,454,366	$ 295,106,622	$ 314,986,984
Capital Fund	1,016,985,653	702,768,663	812,899,787
Restricted Funds [1]	1,413,502,652	1,948,944,576	2,558,005,578
Other Available Funds [2]	65,760,442	65,760,442	65,760,442

[1] Restricted Funds include proceeds of prior bonds on deposit in the project funds, funds and accounts described in the chart titled "Flow of Funds under the Bond Ordinances" under priority 1 through 8 (see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Flow of Funds—Revenue Fund"), funds held for defeased bonds in 2020 and 2019, PFCs, CFCs and certain other funds, including for December 31, 2020, funds on deposit in the CARES Act Irrevocable Escrow ($139.1 million), and for December 31, 2021, funds on deposit in the CARES Act Irrevocable Escrow ($130 million), the CRRSAA Irrevocable Escrow ($48.6 million) and the full ARPA Funds award amount ($204.3 million). See "EFFECT OF COVID-19 ON THE AIRPORT—Federal Relief Program." The CARES Act Irrevocable Escrow was fully expended in 2021.

[2] The City has internally designated $65.8 million of the Capital Fund, as allowed by the General Bond Ordinance, as Other Available Funds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Capital Fund" herein.

Source: Department of Aviation management records.

Management's Discussion and Analysis of Financial Performance

The following is a discussion and analysis by Airport management of the financial performance of the Airport System for Fiscal Years 2018 through 2021 as well as six months ended on June 30, 2022 and June 30, 2021. All figures presented below are approximate unless otherwise stated.

Six Months Ended June 30, 2022 vs. Six Months Ended June 30, 2021. Operating revenues of the Airport System totaled $440.8 million, an increase of $113.0 million, or 34.5%, for the six-month period ended June 30, 2022, as compared to the six-month period ended June 30, 2021. Airline revenue totaled $193.2 million, an increase of $11.9 million, or 6.6%. Non-airline revenue totaled $247.6 million, an increase of $101.1 million, or 69.0%. Non-airline revenue represented 56.2% of total operating revenue during the six-month period ended June 30, 2022.

Operating expenses, exclusive of depreciation and amortization, totaled $242.7 million for the six-month period ended June 30, 2022, an increase of $34.4 million, or 16.5%, as compared to the six-month period ended June 30, 2021.

The increase in operating expenses compared to prior year was primarily driven by a $15.4 million, or 15.5%, increase in contractual services, a $6.7 million, or 7.9%, increase in personnel costs, and a $4.5 million, or 47.6%, increase in personnel costs.

Total non-operating revenues decreased by $21.5 million, or 17.3%, primarily due to a reduction in stimulus funds received in 2022 compared to 2021.

Total non-operating expenses decreased by $10.9 million, or 9.2%, primarily due to a decrease in interest expenses associated with the Airport's overall debt portfolio.

For the six-month periods ended June 30, 2022 and June 30, 2021, capital grants totaled $11.8 million and $1.8 million, respectively, representing FAA-funded AIP funds for the airfield and some equipment replacement.

A more detailed discussion and analysis by Airport management of the financial performance and activity of the Airport System for the first six months of 2022 compared to the same period in 2021 is included as part of the financial statements of the Airport System appearing as "APPENDIX E—UNAUDITED QUARTERLY FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR THE PERIOD ENDED JUNE 30, 2022 AND 2021."

2021 vs. 2020. Operating revenue at the Airport totaled $716.4 million, an increase of $124.6 million, or 21.1%, for the year ended December 31, 2021, as compared to year ended December 31, 2020. Airline revenue totaled $337.6 million, a decrease of $25.0 million, or 6.9%, primarily due to a decrease in the signatory terminal complex rental rates and an increase in airline revenue credit. The decrease is offset by an increase in landing fee revenue. Non-airline revenue totaled $378.8 million, an increase of $149.5 million, or 65.2%, primarily due to a 74.4% increase in overall passengers. Non-airline revenue represented 52.9% of total operating revenue.

Operating expenses, exclusive of depreciation and amortization, totaled $461.4 million for the year ended December 31, 2021, a decrease of $14.5 million, or 3.0%, as compared to the year ended December 31, 2020. The decrease compared to the prior year was primarily driven by a reduction in personnel costs primarily due to reduction in pension and OPEB expenses.

Total non-operating revenues, net of non-operating expenses, decreased by $104.5 million in 2021. The decrease is primary attributable to a decrease in investment income due to changes in the market value of investments.

In 2021 and 2020, capital grants totaled $24.8 million and $33.8 million, respectively. The 2021 capital grants included TSA grant funding for a capital project to improve the throughput of the checked baggage handling system. The 2020 capital grants included pavement rehabilitation on the airfield as well as infrastructure grants.

A more detailed discussion and analysis by Airport management of the financial performance and activity of the Airport System for 2021 compared to 2020 is included as part of the financial statements of the Airport System appearing as "APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2020 AND 2021."

2020 vs. 2019. Operating revenue of the Airport System totaled $591.8 million, a decrease of $276.0 million, or 31.8%, for the year ended December 31, 2020, as compared to the year ended December 31, 2019. Airline revenue totaled $362.5 million, a decrease of $23.9 million, or 6.2%, driven by a decrease in landing fees because of reduced airline operations which were directly impacted by COVID-19. The decrease was offset by an increase in facility rentals attributable to increases in debt service and operating expenses. Non-airline revenue totaled $229.3 million, a decrease of $252.1 million, or 52.4%, primarily due to a 51.1% decrease in overall passengers due to COVID-19. Non-airline revenue represented 38.7% of total operating revenue.

Operating expenses, exclusive of depreciation and amortization, totaled $475.9 million for the year ended December 31, 2020, a decrease of $108.6 million, or 18.6%, as compared to the year ended December 31, 2019. The decrease compared to the prior year was primarily driven by a $47.7 million reduction in non-essential contractual services, a $38.5 million reduction in legal/claim reserve, a $14.1 million reduction in hotel expenses associated with decreased occupancy, and a $9.6 million reduction in maintenance, supplies, and materials, associated with a decrease in traffic resulting from COVID-19.

Total non-operating revenues, net of non-operating expenses, increased by $163.2 million in 2020. The increase over the prior year was primarily attributable to revenue of $269.1 million under the

CARES Act. The decrease in PFC revenue is the result of reductions in passenger traffic due to COVID-19, which reduction also resulted in the decrease in CFC revenue. The reduction in investment income is driven by decreases in cash and investment balances associated with the use of bond proceeds to fund the 2018-2022 Capital Program.

In 2020 and 2019, capital grants totaled $33.8 million and $15.3 million, respectively. The increase in 2020 from 2019 was driven by reimbursements for airfield expenditures under the 2018-2022 Capital Program.

Pension Plan

The Airport System provides its employees with pension benefits through the Denver Employees Retirement Plan ("**DERP**"). DERP administers a cost-sharing multiple-employer defined benefit plan to eligible members. DERP is administered through the DERP Retirement Board in accordance with the City's Revised Municipal Code and vests the authority for the benefit and contribution provisions with the City Council. The DERP Retirement Board acts as the trustee of the Plan's assets. The Airport System's share of the City's total contributions to DERP was approximately $13.8 for Fiscal Year 2021 and approximately $13.1 million for Fiscal Year 2020. As of December 31, 2021 and 2020, the Airport System reported a liability of approximately $187.8 and $199.9 million, respectively, for its proportionate share of the net pension liability related to DERP.

For additional information about DERP and the Airport System's pension liability, see Note 17 of the Airport System's audited financial statements in "APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2020 AND 2021."

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Outstanding Senior Bonds

The following table sets forth principal amounts of the Senior Bonds that (i) are Outstanding prior to the issuance of the Series 2022C-D Bonds; and (ii) will be Outstanding after the issuance of the Senior Bonds assuming that all scheduled debt service due on the Outstanding Senior Bonds will be made on November 15, 2022.

Table 9
Outstanding Senior Bonds

Issue	Amount Prior to Series 2022C-D Bonds Issuance	Amount After Series 2022C-D Bonds Issuance[4]
Series 2002C Bonds[1,2,3]	$ 17,200,000	$13,800,000
Subseries 2007G1 Bonds [*1,2,3]	46,300,000	--
Subseries 2007G2 Bonds[*1,2,3]	46,500,000	--
Series 2008B Bonds[1,2,3]	35,100,000	29,600,000
Series 2009B Bonds	65,290,000	65,290,000
Series 2009C Bonds[1,2,3]	56,455,000	45,255,000
Series 2012A Bonds[*]	116,885,000	32,380,000
Series 2012B Bonds[*]	276,355,000	157,045,000
Series 2012C Bonds	30,285,000	30,285,000
Series 2016A Bonds[3]	207,020,000	207,020,000
Series 2017A Bonds	172,785,000	158,805,000
Series 2017B Bonds	21,280,000	21,280,000
Series 2019C Bonds	120,005,000	120,005,000
Series 2019D Bonds	83,725,000	--
Series 2020A1 Bonds	90,790,000	42,390,000
Series 2020A2 Bonds	46,930,000	36,640,000
Series 2020B1 Bonds	28,420,000	18,930,000
Series 2020B2 Bonds	24,060,000	24,060,000
Series 2020C Bonds	411,535,000	410,690,000
Series 2021A Bonds	14,000,000	12,100,000
Series 2021B Bonds	11,600,000	10,000,000
Series 2022A Bonds	1,465,560,000	1,465,560,000
Series 2022B Bonds	175,570,000	175,570,000
Series 2022C Bonds	--	349,180,000
Series 2022D Bonds	--	817,810,000
Total	$3,563,650,000	$4,243,695,000

* All or a portion of these series of bonds are to be refunded, redeemed or defeased, as applicable, with proceeds of the Series 2022C-D Bonds. See “PLAN OF FINANCING—Purpose of the Series 2022C-D Bonds.”

1 These Senior Bonds bear interest at variable interest rates indexed to the SIFMA Index or one-month LIBOR.

2 These Senior Bonds are owned by certain financial institutions as described in “—Credit Facility Obligations Related to Senior Bonds” below. The City’s repayment obligations to those financial institutions constitute Credit Facility Obligations under the Senior Bond Ordinance.

3 A portion of these Senior Bonds are associated with certain swap agreements discussed below in Table 13 and in Note 13 to the audited financial statements of the Airport System for Fiscal Year 2021 appended to this Official Statement as “Appendix D,” effectively converting the variable rate bonds to fixed rates and converting the fixed rate bonds to variable rates.

4 Assumes payment of principal due on November 15, 2022.

Sources: The Department of Aviation and the Municipal Advisor.

All or certain maturities of certain series of the Senior Bonds have been additionally secured by policies of municipal bond insurance. The related bond insurers have been granted certain rights under the Senior Bond Ordinance with respect to the Senior Bonds so insured that are not granted to Owners of the Senior Bonds.

Credit Facility Obligations Related to Senior Bonds. The following series of Senior Bonds were purchased by certain financial institutions pursuant to reimbursement agreements entered into with the City, for and on behalf of its Department of Aviation: Series 2002C, Series 2007G1-G2, Series 2008B, Series 2009C, Series 2021A, and Series 2021B. The reimbursement agreements constitute Credit Facilities as defined by the Senior Bond Ordinance and the City's repayment obligation pursuant to such Credit Facilities constitute Credit Facility Obligations, as defined in the Senior Bond Ordinance, which have a lien on Net Revenues on a parity with the Senior Bonds and any other Senior Obligations issued under the Senior Bond Ordinance. Each of the reimbursement agreements include representations, covenants, and agreements in addition to those contained in the Senior Bond Ordinance. A breach of any of these covenants could result in a default under the related reimbursement agreement and the Senior Bond Ordinance. See "CERTAIN INVESTMENT CONSIDERATIONS —Additional Rights of Certain Owners of Senior Bonds and Subordinate Bonds."

Table 10
Credit Facility Obligations Related to Senior Bonds

Senior Bonds	Outstanding Principal Amount[1]	Current Interest Rate Mode	Final Maturity Date	Financial Institution	Last Day of the Initial Period[2]
Series 2002C	$17,200,000	SIFMA Indexed Floating Rate	11/15/2031	Banc of America Preferred Funding Corporation	4/28/2023
Series 2007G1-G2[3]	92,800,000	LIBOR Daily Floating Rate	11/15/2031	BMO Harris Investment Corp.	12/01/2023
Series 2008B	35,100,000	SIFMA Indexed Floating Rate	11/15/2031	Bank of America, N.A.	7/01/2023
Series 2009C	56,455,000	SIFMA Indexed Floating Rate	11/15/2031	Bank of America, N.A.	04/28/2023
Series 2021A	14,000,000	SIFMA Indexed Floating Rate	11/15/2031	Bank of America, N.A.	04/28/2023
Series 2021B	11,600,000	SIFMA Indexed Floating Rate	11/15/2031	Bank of America, N.A.	04/28/2023
Total	$227,155,000				

[1] As of October 27, 2022.
[2] Indicates the end date of the initial period (or extension of initial period) during which the applicable financial institution has agreed to own the related Series of Senior Bonds at the index rate set forth in the related reimbursement agreement. Prior to the end of the initial period, the City may request the applicable financial institution to repurchase the related Series of Senior Bonds or provide liquidity or credit enhancement necessary to facilitate the conversion of such Series to a new interest rate mode. If the financial institution does not respond or rejects the City's request in its sole discretion, the City will be required to repurchase or redeem such Series of Senior Bonds on the last day of the applicable initial period for a purchase price of 100% of the par amount plus accrued interest to such date.
[3] The Series 2007G1-G2 Bonds are being refunded with proceeds of the Series 2022C Bonds, and the related credit facility obligations will be terminated in connection with such refunding.

Sources: The Department of Aviation and the Municipal Advisor.

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Outstanding Subordinate Bonds

The following table sets forth principal amounts of the Subordinate Bonds that are currently Outstanding. Assuming that all scheduled debt service on the Outstanding Subordinate Bonds due on November 15, 2022 is made, there will be approximately $3,320,085,000 aggregate principal amount of Subordinate Bonds Outstanding as of the date of issuance of the Series 2022C-D Bonds.

Table 11
Outstanding Subordinate Bonds

Issue	Amount
Series 2013A Bonds	$ 295,220,000
Series 2013B Bonds	357,025,000
Series 2015A Bonds[1]	99,540,000
Series 2018A Bonds	2,320,110,000
Series 2018B Bonds	183,625,000
Series 2019A Bonds[2]	104,390,000
Series 2021C Bonds	26,220,000
Total	$3,386,130,000

[1] The Series 2015A Bonds include a Credit Facility and Reimbursement Agreement with Bank of America, N.A.
[2] The Series 2019A Bonds include a Credit Facility and Reimbursement Agreement with State Street Public Lending Corporation.

Sources: The Department of Aviation and the Municipal Advisor.

As described below under "—Subordinate Obligations," there are certain outstanding Subordinate Hedge Facility Obligations.

Estimated Senior Bonds Debt Service Requirements and Subordinate Debt Service Requirements

The table on the following page sets forth the City's current estimated Debt Service Requirements for the Senior Bonds (which were calculated taking into account the related outstanding Subordinate Hedge Facility Obligations) and the Subordinate Debt Service Requirements. For purposes of this table, Debt Service Requirements for series of Senior Bonds with respect to which there are related Subordinate Hedge Facility Obligations, were calculated using the related swap rates and assuming the swap cash flows occur on the same lien level with such Senior Bonds. As described in the footnotes to the table, certain assumptions were made by the City with respect to the interest rates on the Subordinate Hedge Facility Obligations. See "Subordinate Obligations—*Outstanding Subordinate Hedge Facility Obligations*" below.

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Table 12
Estimated Senior Bonds Debt Service Requirements and Subordinate Debt Service Requirements

Fiscal Year Ending December 31	Outstanding Senior Bonds Debt Service Requirements [1, 2, 3, 5, 6]	Series 2022C-D Bonds Principal [5]	Series 2022C-D Bonds Interest [4, 5]	Total Outstanding Senior Bonds Debt Service Requirements [4, 5, 6]	Total Outstanding Subordinate Bonds Debt Service Requirements [5]	Total Senior Bonds and Subordinate Bonds Debt Service Requirements [1, 2, 3, 4, 5, 6]
2022	$ 214,569,629	--	--	$ 214,569,629	$ 249,239,804	$ 463,809,433
2023	219,349,626	$ 10,490,000	$ 16,875,238	246,714,864	235,472,547	482,187,410
2024	200,592,638	67,275,000	19,387,769	287,255,407	258,466,053	545,721,459
2025	199,762,742	115,870,000	57,773,663	373,406,405	255,474,287	628,880,691
2026	260,356,780	43,650,000	51,980,163	355,986,943	258,881,962	614,868,904
2027	255,880,298	45,190,000	49,748,738	350,819,036	258,914,048	609,733,084
2028	264,515,681	47,045,000	47,437,750	358,998,431	258,919,782	617,918,213
2029	253,820,349	48,930,000	44,977,125	347,727,474	254,650,462	602,377,936
2030	246,235,589	49,340,000	42,416,275	337,991,864	242,476,683	580,468,547
2031	243,422,460	41,480,000	39,828,650	324,731,110	241,664,875	566,395,985
2032	238,615,691	28,685,000	37,627,375	304,928,066	241,668,425	546,596,491
2033	197,960,160	30,255,000	36,058,850	264,274,010	239,008,013	503,282,022
2034	155,495,108	23,055,000	34,404,450	212,954,558	227,407,513	440,362,071
2035	155,137,163	24,365,000	33,093,938	212,596,101	223,981,313	436,577,413
2036	155,287,247	25,750,000	31,708,850	212,746,097	216,668,638	429,414,734
2037	159,297,473	27,210,000	30,244,913	216,752,385	216,003,275	432,755,660
2038	152,536,881	34,385,000	28,697,850	215,619,731	216,006,525	431,626,256
2039	151,805,240	36,290,000	26,781,313	214,876,552	202,419,250	417,295,802
2040	135,451,363	32,130,000	24,736,988	192,318,350	191,442,863	383,761,213
2041	135,586,663	33,965,000	22,903,063	192,454,725	186,995,738	379,450,463
2042	134,511,113	35,905,000	20,964,350	191,380,463	182,526,938	373,907,400
2043	133,590,913	37,705,000	19,161,588	190,457,500	182,497,375	372,954,875
2044	82,955,644	39,860,000	17,009,350	139,824,994	148,389,750	288,214,744
2045	61,398,113	33,970,000	14,734,050	110,102,163	148,386,000	258,488,163
2046	60,914,250	35,900,000	12,798,300	109,612,550	148,384,500	257,997,050
2047	60,408,269	37,710,000	10,994,088	109,112,356	148,386,250	257,498,606
2048	60,407,963	39,605,000	9,098,888	109,111,850	148,386,500	257,498,350
2049	60,407,063	41,595,000	7,108,425	109,110,488	-	109,110,488
2050	60,411,063	23,040,000	5,017,925	88,468,988	-	88,468,988
2051	60,409,181	24,205,000	3,854,613	88,468,794	-	88,468,794
2052	60,405,900	25,425,000	2,632,463	88,463,363	-	88,463,363
2053	58,130,150	26,710,000	1,348,688	86,188,838	-	86,188,838
Total	$4,889,628,399	$1,166,990,000	$801,405,681	$6,585,024,081	$5,782,719,364	$12,640,743,444

[Footnotes for Table 12 are on the next page]

* Totals may not add due to rounding.
[1] Includes related Subordinate Hedge Facility Obligations. See "—Subordinate Obligations—Outstanding Subordinate Hedge Facility Obligations" below.
[2] Variable rate interest and interest rate swap payments are computed assuming one-month LIBOR equals 3.65%, and SIFMA equals 2.70%.
[3] Debt service excludes estimated Build America Bond subsidy payments from the United States Treasury.
[4] Amounts are net of $86,536,318.54 representing capitalized interest funded with the Series 2022C-D Bonds.
[5] Does NOT exclude approximately $252.9 million of Stimulus Funds that were irrevocably committed by the City, for and behalf of the Department, to pay Debt Service Requirements for Senior Bonds and Subordinate Debt Service Requirements. The Department has not determined the amount and the timing of use of funds on deposit in CRRSAA Irrevocable Escrow and ARPA Irrevocable Escrow to pay said debt service. See "EFFECT OF COVID-19 ON THE AIRPORT—Federal Relief Program."
[6] Excludes debt service on bonds paid and/or refunded with proceeds of the Series 2022C-D Bonds.

Source: The Municipal Advisor.

Subordinate Obligations

Subordinate Credit Facility Obligations, Subordinate Contract Obligations and Subordinate Hedge Facility Obligations have been and may also in the future be issued under the Subordinate Bond Ordinance. Such obligations are secured by a pledge of Net Revenues that is subordinate to the pledge of Net Revenues that secures the Senior Bonds and Senior Obligations.

Subordinate Contract Obligations and Subordinate Hedge Facility Obligations generally are comprised of contracts, agreements or obligations payable from all or a designated portion of Net Revenues on a basis subordinate to Senior Bonds and Senior Obligations and on a parity with Subordinate Bonds and other Subordinate Obligations, but do not include Subordinate Bonds, Subordinate Credit Facility Obligations, obligations that may be treated as Operation and Maintenance Expenses under U.S. generally accepted accounting principles, and obligations incurred and payable in full within a single Fiscal Year (whether or not such obligations may be treated as Operation and Maintenance Expenses). Subordinate Credit Facility Obligations generally comprise repayment or other obligations incurred by the City pursuant to a credit agreement or similar instrument in respect of draws or other payments or disbursements made under a Subordinate Credit Facility, and which obligations are payable from all or any designated portion of Net Revenues on a basis that is subordinate only to Senior Bonds and Senior Obligations and on a parity with Subordinate Bonds and other Subordinate Obligations.

For purposes of this Official Statement, the following definitions apply:

"**Subordinate Contract Obligations**" means capital leases, installment purchase agreements, guaranty agreements, or other similar contracts incurred pursuant to the provisions of the Subordinate Bond Ordinance which are payable from all or any designated portion of the Net Revenues of the Airport System and secured by a pledge of and lien on such Net Revenues, subordinate only to the lien thereon of the Senior Bonds and any Senior Obligations. The term does not include (i) Subordinate Bonds, Subordinate Credit Facility Obligations, or Subordinate Hedge Facility Obligations; or (ii) obligations that may be treated as Operation and Maintenance Expenses under generally accepted accounting principles and obligations incurred and payable in full within a single Fiscal Year (whether or not such obligations may be so treated as Operation and Maintenance Expenses).

"**Subordinate Credit Facility**" means any letter of credit, policy of bond insurance, surety bond, guarantee or similar instrument issued by a financial, insurance or other institution and which provides security or liquidity in respect of Subordinate Bonds.

“**Subordinate Credit Facility Obligations**” means repayment or other obligations incurred by the City pursuant to a credit agreement or similar instrument in respect of draws or other payments or disbursements made under a Subordinate Credit Facility, and which obligations are payable from all or any designated portion of the Net Revenues of the Airport System and secured by a pledge of and lien on such Net Revenues subordinate only to the lien thereon of the Senior Bonds and any Credit Facility Obligations.

“**Subordinate Hedge Facility**” means any rate swap transaction, basis swap transaction, cap transaction, floor transaction, collar transaction, or similar transaction, which is intended to convert or limit the interest rate on any Senior Bonds or any Subordinate Bonds.

“**Subordinate Hedge Facility Obligations**” means payment obligations of the City in respect of any Subordinate Hedge Facility, which are payable from all or any designated portion of the Net Revenues of the Airport System and secured by a pledge of and a lien on such Net Revenues subordinate only to the lien thereon of the Senior Bonds and any Credit Facility Obligations.

“**Subordinate Obligations**” means Subordinate Credit Facility Obligations, Subordinate Contract Obligations and Subordinate Hedge Facility Obligations.

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Outstanding Subordinate Hedge Facility Obligations. Since 1998, the City has entered into various interest rate swap agreements constituting Subordinate Hedge Facility Obligations under the Senior Bond Ordinance and the Subordinate Bond Ordinance in respect of certain series of the outstanding Senior Bonds. Detailed information regarding the swap agreements is set forth in Note 13 (Swap Agreements) to the audited financial statements of the Airport System for Fiscal Year 2021 appended to this Official Statement. The following table is a summary of the interest rate swap agreements outstanding as of October 24, 2022 that are Subordinate Hedge Facility Obligations. See also "— Master Derivatives Policy" below and "APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2020 AND 2021."

Table 13
Outstanding Subordinate Hedge Facility Obligations*

Year of the Swap Agreement [1]	Counterparty	Notional Amount (in million)	Termination Date	Payable Swap Rate	Receivable Swap Rate	Fair Value to the City as of 10/24/2022 (in thousands) [4]
1999	Goldman Sachs Capital Markets, L.P. [2]	$16.420	11/01/2022	5.62%	SIFMA	$(40.2)
1999	Merrill Lynch Capital Services, Inc. [2]	8.210	11/01/2022	5.55%	SIFMA	(19.7)
2005	JPMorgan Chase Bank, N.A.	34.573	11/15/2025	3.69%	70% 1M LIBOR	(267.0)
2006	Societe Generale, New York Branch[3]	23.950	11/15/2025	4.01%	70% 1M LIBOR	(302.4)
2006	JPMorgan Chase Bank, N.A.	34.573	11/15/2025	SIFMA	4.09%	954.6
2008	Royal Bank of Canada[3]	47.900	11/15/2025	4.01%	70% 1M LIBOR	(604.4)
2009	Loop Financial Products [2]	8.210	11/01/2022	5.62%	SIFMA	(20.1)
		$173.836[5]				$(299.3)

[*] As of October 24, 2022.
[1] The year in which the swap agreement was entered does not relate to the associated series of Senior Bonds. See Note 13 (Swap Agreements) to the financial statements of the Airport System for Fiscal Year 2021 appended to this Official Statement for information relating to the associated series of Senior Bonds for each swap agreement.
[2] These swap agreements have terminated in accordance with their terms.
[3] These swap agreements will be terminated effective November 15, 2022 in connection with the refunding of the Series 2007G1-G2 Bonds with proceeds of the Series 2022C Bonds.
[4] Reflects mid-market valuations, including accrued, but unpaid interest as provided to the City by BLX Group, the City's swap monitoring service provider. Totals may not add due to rounding.
[5] Assuming the termination of the swap agreements noted in footnotes 2 and 3 above, the notional amount of the remaining swap agreements as of November 15, 2022 will be approximately $63,696,000.

Sources: The Department of Aviation and the Municipal Advisor.

Subordinate Credit Facility Obligations. Subordinate Credit Facility Obligations generally comprise repayment or other obligations incurred by the City pursuant to a credit agreement or similar instrument in respect of draws or other payments or disbursements made under a Subordinate Credit Facility, and which obligations are payable from all or any designated portion of the Net Revenues on a basis that is subordinate only to Senior Bonds and Senior Obligations and on a parity with Subordinate Bonds. In connection with a direct purchase of the 2015A Subordinate Bonds by Bank of America, N.A., the City, for and on behalf of the Department, has entered into a Subordinate Credit Facility with Bank of America, N.A. with respect to such bonds, and in connection with a direct purchase of the Series 2019A and Series 2019B Subordinate Bonds by State Street Public Lending Corporation, the City, for and on behalf of the Department, has entered into a Subordinate Credit Facility with State Street Public Lending Corporation with respect to such bonds. The City's obligations to the financial institutions providing such Subordinate Credit Facilities constitute Subordinate Credit Facility Obligations under the Subordinate Bond Ordinance. Each of such Subordinate Credit Facilities include representations, covenants, and agreements in addition to those contained in the Subordinate Bond Ordinance. A breach of any of these representations, covenants and agreements could result in a default under the related Subordinate Bonds and the Subordinate Bond Ordinance. See "CERTAIN INVESTMENT CONSIDERATIONS —Additional Rights of Certain Owners of Senior Bonds and Subordinate Bonds."

Junior Lien Bonds and Junior Lien Obligations

The Subordinate Bond Ordinance permits the City, on its own behalf or for and on behalf of the Department, to issue bonds, notes, certificates, subordinate commercial paper or other securities, contracts or obligations relating to the Airport System, payable from Net Revenues, and having a lien thereon subordinate and junior to the lien thereon of the Subordinate Bonds and Subordinate Obligations.

For purposes of this Official Statement, the following definitions apply:

"**Junior Lien Bonds**" means bonds, notes, certificates, commercial paper, or other securities issued pursuant to the provisions of the Junior Lien Bond Ordinance, which are payable from the Net Revenues of the Airport System and secured by a pledge of and lien on such Net Revenues, subordinate only to the lien thereon of the Senior Bonds and the lien thereon of the Subordinate Bonds. The term does not include any Junior Lien Obligations (except as represented by any bonds registered in the name of any provider of any Junior Lien Credit Facility or its nominee as a result of the purchase thereof with proceeds of such Junior Lien Credit Facility).

"**Junior Lien Contract Obligations**" means capital leases, installment purchase agreements, guaranty agreements, loans or purchase agreements with banks or other financial institutions, development agreements, concession agreements, or other similar contracts (or any obligations incurred in connection therewith) incurred pursuant to the provisions of the Junior Lien Bond Ordinance, which are payable from all or any designated portion of the Net Revenues of the Airport System and secured by a pledge of and lien on such Net Revenues, subordinate only to the lien thereon of the Senior Bonds and any Senior Obligations and the lien thereon of the Subordinate Bonds and any Subordinate Obligations. The term does not include (i) Junior Lien Bonds, Junior Lien Credit Facility Obligations, or Junior Lien Hedge Facility Obligations; or (ii) obligations that may be treated as Operation and Maintenance Expenses under generally accepted accounting principles and obligations incurred and payable in full within a single Fiscal Year (whether or not such obligations may be so treated as Operation and Maintenance Expenses).

"**Junior Lien Credit Facility**" means any letter of credit, policy of bond insurance, surety bond, guarantee or similar instrument issued by a financial, insurance or other institution and which provides security or liquidity in respect of Junior Lien Bonds.

"**Junior Lien Credit Facility Obligations**" means repayment or other obligations incurred by the City pursuant to a credit agreement or similar instrument in respect of draws or other payments or disbursements made under a Junior Lien Credit Facility, and which obligations are payable from all or any designated portion of the Net Revenues of the Airport System and secured by a pledge of and lien on such Net Revenues subordinate only to the lien thereon of the Senior Bonds and any Senior Obligations and the lien thereon of the Subordinate Bonds and any Subordinate Obligations.

"**Junior Lien Hedge Facility**" means any rate swap transaction, basis swap transaction, cap transaction, floor transaction, collar transaction, or similar transaction, which is intended to convert or limit the interest rate on any Senior Bonds, any Subordinate Bonds or any Junior Lien Bonds.

"**Junior Lien Hedge Facility Obligations**" means payment obligations of the City in respect of any Junior Lien Hedge Facility, which are payable from all or any designated portion of the Net Revenues of the Airport System and secured by a pledge of and lien on such Net Revenues subordinate only to the lien of the Senior Bonds and any Senior Obligations and the lien of the Subordinate Bonds and any Subordinate Obligations.

"**Junior Lien Obligations**" means Junior Lien Credit Facility Obligations, Junior Lien Contract Obligations, and Junior Lien Hedge Facility Obligations.

As permitted under the Subordinate Bond Ordinance and in connection with the Airport Hotel, the City, for and on behalf of the Department, adopted Ordinance No. 15-0774, Series of 2015 (the "**Hotel Ordinance**") to provide for the administration of the revenues of the Airport Hotel and the payment of costs and expenses related to the Airport Hotel. The Hotel Ordinance established a Hotel Operating Account (the "**Hotel Operating Account**") within the Revenue Fund held under the Senior Bond Ordinance, which account is administered as provided in the CMA (as defined above under "DENVER INTERNATIONAL AIRPORT—Hotel and Transit Center—*The Airport Hotel*"). Pursuant to the Hotel Ordinance, the City created the "City and County of Denver, Colorado, Airport System Junior Lien Obligations Fund" (the "**Junior Lien Obligations Fund**") and the "City and County of Denver, Airport Hotel Junior Lien Obligations Account" (the "**Airport Hotel Junior Lien Obligations Account**") within the Junior Lien Obligations Fund and within such account, various subaccounts. The City's obligations under the HMA to make payments, transfers, and deposits to the accounts described above constitute Junior Lien Obligations (the "**Hotel Junior Lien Obligation**"). Such Junior Lien Obligations have a lien on Net Revenues subordinate and junior to the lien thereon of the Senior Bonds, Senior Obligations, Subordinate Bonds, and Subordinate Obligations. The flow of funds described in the HMA and the CMA is used for internal Airport accounting purposes and does not modify in any manner the flow of funds required under the Senior Bond Ordinance. See "DENVER INTERNATIONAL AIRPORT—Hotel and Transit Center—*The Airport Hotel*."

The City adopted the Junior Lien Bond Ordinance permitting the issuance of Junior Lien Bonds having a lien on Net Revenues subordinate only to the lien thereon of the Senior Bonds and Subordinate Bonds and incurrence of Junior Lien Obligations (consisting of Junior Lien Credit Facility Obligations, Junior Lien Contract Obligations, and Junior Lien Hedge Facility Obligations), having a lien on Net Revenues subordinate only to the lien thereon of the Senior Obligations and Subordinate Obligations. The Junior Lien Bond Ordinance affirms the Hotel Junior Lien Obligation and states that it shall constitute a Junior Lien Obligation for purposes of the Junior Lien Bond Ordinance.

While certain Junior Lien Obligations are outstanding, there are no Junior Lien Bonds currently outstanding.

Special Facilities Bonds

The City has issued various series of Special Facilities Bonds to finance the acquisition and construction of certain facilities at the Airport. These bonds are payable solely from designated payments received under lease agreements and loan agreements for the related Airport special facilities and are not payable from Gross Revenues.

United financed and subsequently refinanced its support facilities at the Airport (aircraft and ground support equipment, maintenance and air freight facilities and a flight kitchen that is subleased to Dobbs International Services) largely through the issuance by the City, for and on behalf of the Department, of its Special Facilities Bonds. United currently leases all of the support facilities and certain tenant finishes and systems on Concourse B under a lease which terminates on October 1, 2023, unless extended as set forth in the lease or unless terminated earlier upon the occurrence of certain events as set forth in the lease. The lease payments under this lease constituted the sole source of payment for the Special Facilities Bonds originally issued in 1992 and refunded in 2007 and most recently refunded in

September 2017 with proceeds of the City and County of Denver, Colorado Special Facilities Airport Revenue Refunding Bonds (United Air Lines Project) Series 2017.

See "DENVER INTERNATIONAL AIRPORT—Other Facilities" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Other Building and Ground Leases."

Rentals, Fees and Charges for the Airport

Using compensatory and residual rate-making methodologies in its existing Use and Lease Agreements, the City has established rentals, fees and charges for premises and operations at the Airport. These include landing fees, terminal complex rentals, baggage system fees, concourse ramp fees, AGTS charges, international facility fees, and fueling system charges, among others. The City also collects substantial revenues from other sources such as public parking, rental car operations and retail concession operations. For non-Signatory Airlines, the City assesses rentals, fees and charges following procedures consistent with those outlined in the Use and Lease Agreements, at a premium of 20% over Signatory Airline rates. In addition, non-Signatory Airlines do not share in the year-end airline revenue credit. See generally "AGREEMENTS FOR USE OF AIRPORT FACILITIES."

The City believes that its rate-making methodologies, including its allocation of costs for purposes of setting rates and charges, are reasonable. However, no assurance can be given that challenges will not be made to the rates and charges established by the City or its method of allocating particular costs. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Rate Maintenance Covenants" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements."

Passenger Facility Charges

General. Public agencies controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) are permitted to charge each enplaning revenue passenger using the airport with a passenger facility charge ("**PFCs**") for the purpose of developing additional capital funding resources for the expansion of the national airport system. The proceeds from PFCs must be used to finance eligible airport-related projects that serve or enhance the safety, capacity or security of the national airport transportation system, reduce noise from an airport that is part of such system or furnish opportunities for enhanced competition between or among air carriers, including associated debt service. Public agencies desiring to impose and use PFCs are required to apply to the FAA for such authority and satisfy the requirements of 49 U.S.C. § 40117 (the "**PFC Enabling Act**"). Applications by certain public agencies, including the Department, after October 1, 2000, also require an acceptable airport competition plan.

The City first began imposing a PFC on enplaned revenue passengers on July 1, 1992, at the rate of $3.00, which was increased to $4.50 effective April 1, 2001. The PFC is collected by air carriers as part of the price of a ticket and then remitted to the City. The air carriers are permitted by the PFC Enabling Act to retain a portion of each PFC collected as compensation for collecting and handling PFCs. Currently, the collection fee equals $0.11 of each PFC collected. PFC revenues received by the Airport are net of this collection fee. See also "CERTAIN INVESTMENT CONSIDERATIONS—Risks Related to Federal Regulations and Funding—*Risk of Airline Bankruptcies*" for a discussion of the impact upon PFC collections in the event of an airline bankruptcy.

The amount of PFC revenues received each Fiscal Year is determined by the PFC rate and the number of qualifying passenger enplanements and level of passengers at the Airport. PFC revenues for the years 2017 through 2021 and the first six months of 2022 and 2021 are set forth in the following table.

Table 14
PFC Revenues

Year	PFC Revenues (thousands)[1]	Percent Change
2017	$118,333	3.6%[2]
2018	123,907	4.7
2019	132,484	6.9
2020	64,922	(51.0)
2021	113,500	74.8
Jan-June		
2021[3]	54,854	79.5
2022[3]	67,445	23.0%

[1] These amounts constitute the revenues derived from the entire $4.50 PFC net of the collection fees retained by the airlines.
[2] Compared to PFC revenues of $114,230,000 in 2016.
[3] PFC revenues collected through June 30, 2021 and June 30, 2022, respectively.
Sources: Audited financial statements of the Airport System for Fiscal Years 2017-2021 and Unaudited Quarterly Financial Report of the Airport System for the period ended June 30, 2022 and June 30, 2021.

The City's authorization to impose the PFC (obtained pursuant to the existing PFC applications approved by the FAA) expires upon the earlier of October 1, 2031, or the collection of approximately $3.6 billion of PFC revenues, net of collection fees. Through December 31, 2021, the City collected approximately $2.4 billion in PFC revenues, constituting approximately 66% of the total authorized amount. In addition, the City's authority to impose the PFC may be terminated: (1) by the FAA, subject to certain procedural safeguards, if (a) PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Enabling Act or the related FAA regulations, or (b) the City otherwise violates the PFC Enabling Act or FAA regulations; or (2) if the City violates certain provisions of the Airport Noise and Capacity Act of 1990 and its related regulations, subject to certain procedural safeguards. The City has covenanted that as long as the imposition and use of the PFC is necessary to operate the Airport System in accordance with the requirements of the Bond Ordinances, the City will use its best efforts to continue to impose the PFC and to use PFC revenues at the Airport and to comply with all valid and applicable federal laws and regulations pertaining thereto necessary to maintain the PFC. However, no assurance can be given that the City's authority to impose the PFC will not be terminated by Congress or the FAA or that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the City. In the event the FAA or Congress reduce or terminate the City's ability to collect PFCs, the City would likely need to increase airline rates and charges to pay debt service on the Senior Bonds, the Subordinate Bonds and Junior Lien Bonds and to comply with the Senior Rate Maintenance Covenant, the Subordinate Rate Maintenance Covenant, and the similar covenant contained in the Junior Lien Bond Ordinance. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Rate Maintenance Covenants," and "CERTAIN INVESTMENT CONSIDERATIONS— Risks Related to Federal Regulations and Funding—*Availability of PFCs*."

Prior Treatment of PFCs Under the Prior PFC Supplemental Ordinances. The definitions of Gross Revenues in each of the Bond Ordinances do not include PFC revenues unless, and then only to the extent, PFC revenues are included as Gross Revenues by the terms of a Supplemental Ordinance.

In 2009 and in 2012, the City Council adopted Supplemental Ordinances (the "**Prior PFC Supplemental Ordinances**") that included the $1.50 portion of the total $4.50 PFC received by the City pursuant to the existing PFC applications (net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such PFC revenues) in Gross Revenues under the Senior Bond Ordinance in each Fiscal Year until the Manager gives written notice to the Treasurer that such PFCs shall no longer be included in Gross Revenues for purposes of the Senior Bond Ordinance.

The definition of Debt Service Requirements in the Senior Bond Ordinance provides that, in any computation required by the Senior Rate Maintenance Covenant and for the issuance of Additional Senior Bonds, there is to be excluded from Debt Service Requirements for the Senior Bonds amounts irrevocably committed to make such payments. Such irrevocable commitments may be provided from any available Airport System moneys, including PFC revenues.

The City irrevocably committed the remaining $3.00 portion of the total $4.50 PFC received by the City pursuant to the existing PFC applications (net of air carrier collection fees), up to certain maximum annual committed amounts, to the payment of Debt Service Requirements on Senior Bonds through Fiscal Year 2018 (the "**Committed Passenger Facility Charges**"). The City determined not to extend the irrevocable commitment of the Committed Passenger Facility Charges after Fiscal Year 2018, as discussed in more detail under "*Current Treatment of PFC Under PFC Supplemental Ordinance; Designated Passenger Facility Charges"* below.

Current Treatment of PFC Under PFC Supplemental Ordinance; Designated Passenger Facility Charges. The PFC Supplemental Ordinance, Ordinance No. 18-0776, Series of 2018, adopted by the City Council in August of 2018 and effective January 1, 2019, (i) terminated the Committed Passenger Facility Charges and related irrevocable commitments to the payment of the Debt Service Requirements of Senior Bonds, and (ii) included all PFCs received by the City pursuant to all existing and future PFC applications, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such PFC revenues (the "**Designated Passenger Facility Charges**"), in Gross Revenues under the Bond Ordinances. The amounts resulting from the collection of the Designated Passenger Facility Charges are to continue to be included in Gross Revenues in each Fiscal Year until such time as the Manager gives written notice to the Treasurer that such Designated Passenger Facility Charges, or a portion thereof, are no longer to be included in Gross Revenues for purposes of the Bond Ordinances. PFC revenues that are included in Gross Revenues may be applied by the City to any lawful purpose authorized by PFC applications approved by the FAA, including paying debt service on debt issued to finance PFC eligible projects. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Pledge of Net Revenues; "—Flow of Funds; Revenue Fund;" and "—Historical Debt Service Coverage of Senior Bonds and Subordinate Debt Service Requirements."

Aviation Fuel Tax

An amount equal to 65% of any sales and use taxes imposed and collected by the State on aviation fuel sold for use at the Airport by turbo propeller or jet engine aircraft and credited to the State aviation fund is distributed to the City, for and on behalf of the Department, on a monthly basis and may be used by the City, for and on behalf of the Department, exclusively for "aviation purposes" as defined in the statute, excluding subsidization of airlines except for the promotion and marketing of air service at airport facilities. Such receipts are treated by the City, for and on behalf of the Department, as Gross Revenues. State aviation fuel tax receipts remitted to the City, for and on behalf of the Department, were approximately \$15.8 million in 2019, \$7.8 million in 2020 and \$13.9 million in 2021, such changes resulting primarily from fluctuations in jet fuel prices.

The City also imposes a separate aviation fuel tax, which is not subject to the State allocation requirements but which is subject to certain federal requirements on the use of such revenue for certain Airport related costs. A portion of such aviation fuel tax (\$0.02 for each gallon of fuel purchased) is remitted to the City, acting for and on behalf of the Department, and treated as Gross Revenues as defined in the Senior Bond Ordinance. Such tax receipts deposited into the Airport Revenue Fund were approximately \$9.7 million in 2019, \$2.0 million in 2020 and \$7.7 million in 2021.

Federal Grants and Other Funding; Financial and Performance Audits

Proceeds from federal grants are not included in the definition of Gross Revenues under the Senior Bond Ordinance and therefore are not pledged to the payment of Senior Bonds or Subordinate Bonds.

Airport Improvement Program. One source of federal grants benefiting the Airport is the Airport Improvement Program (the "**AIP**") established pursuant to the Airport and Airway Improvement Act of 1982 (Public Law 97-248). The AIP is administered by the FAA and is funded from the Airport and Airway Trust Fund, which is supported by user fees, fuel taxes, and other similar revenue sources. The AIP provides funds to finance capital improvements to commercial, cargo and general aviation airports. AIP grant moneys include entitlement funds that are appropriated annually based on enplaned passengers as well as discretionary funds that are available at the discretion of the FAA.

The AIP has been amended several times, most recently with the passage of the FAA Reauthorization Act of 2018 (the "**2018 Reauthorization Act**") enacted into law in October, 2018. The 2018 Reauthorization Act provides for general FAA funding authorization through September 30, 2023, and funds the AIP at \$3.35 billion during this authorization period.

Financial and Performance Audits. Like all City departments, from time to time the Department is subject to performance and financial audits by federal and state agencies and local officials. When appropriate, the Department responds by adjusting or improving its relevant practices.

Intergovernmental Agreement with Adams County

The City and the County of Adams, Colorado ("**Adams County**"), the county from which land for the Airport was annexed into the City, entered into an Intergovernmental Agreement on a New Airport, dated April 21, 1988 (the "**Adams County IGA**"), that, among other things, governs land use in and around the Airport and establishes maximum levels of noise referred to in the Adams County IGA as Noise Exposure Points standards (the "**Noise Standards**") at 101 grid points in the vicinity of the Airport that may not be exceeded on an average annual basis. The Adams County IGA also establishes a noise contour for the Airport beyond which the City agrees to keep aircraft noise below certain levels. A noise contour is a line surrounding an airport that encloses a geographic region, which is exposed to a particular noise level. As further described below, the City and Adams County have entered into an Amendatory Intergovernmental Agreement with an effective date of January 1, 2016 (the "**IGA Amendment**").

Noise Mitigation. Calculated noise levels that exceed the Noise Standards by two decibels or less in a year and certain noise contour violations are potential "Class I violations" under the Adams County IGA and calculated noise levels that exceed the Noise Standards by more than two decibels in a year and certain noise contour violations are potential "Class II violations" of the Adams County IGA. The Adams County IGA permits Adams County to send a notice of Class II violations to the City and provides that whenever a Class II violation has occurred, the City and Adams County will jointly petition the FAA to implement changes in flight procedures or Airport operations that are necessary to achieve compliance with the Noise Standards and noise contour requirements. In the event the FAA fails to act, the City is required to impose such rules and regulations as will achieve and maintain the Noise Standards and if the City does not impose such rules and regulations within a certain time frame, then Adams County, or any city within which a violation has occurred, may seek an order from a court compelling the City to impose such rules and regulations. The Adams County IGA provides that if the court, after hearing the matter, does not order the City to exercise its authority to impose such rules and regulations so as to achieve and maintain the Noise Standards and noise contour requirements, or determines that the City does not have such authority, then the City is required to pay a noise mitigation payment of $500,000 for each Class II violation to Adams County or the city in which the property affected by the noise violation is located.

The City has prepared annual noise reports for the period commencing with the opening of the Airport in February 1995 through December 31, 2019 using a noise modeling system known as "ARTSMAP." Prior to 2014, Class I and Class II violations were identified using ARTSMAP and the City made mitigation payments to Adams County and the cities in which the property affected by the noise violation was located. The City, however, has received Notices of Violation from Adams County (based on non-ARTSMAP system) and in 2018, Adams County, the City of Aurora and the City of Brighton filed a lawsuit against the City in the Jefferson County District Court of Colorado (the "**Court**") alleging, among other things, breach by the City of the Adams County IGA based on the City's continued use of ARTSMAP. See "LITIGATION—Current Litigation and Controversy Relating to the Adams County IGA" for information on the status of litigation. See also "CERTAIN INVESTMENT CONSIDERATIONS—Monetary Liability for Noise Standards Violations Under the Adams County IGA."

Land Use; IGA Amendment. The Adams County IGA contains provisions governing and restricting land use on and around the Airport. In response to the City's plans for regional development and potential new land uses at the Airport, the City (acting as the City and County of Denver) and Adams County entered into the IGA Amendment. Pursuant to the IGA Amendment, the parties agreed to amend the land use regulations contained in the Adams County IGA in order to provide greater opportunities for businesses to locate on land surrounding the Airport. The City also paid $10 million to Adams County as partial consideration for (i) the modification of land use regulations, (ii) the authority granted to the City to designate certain land parcels for development (each, a "**Development Parcel**") under the provisions of the IGA Amendment, and (iii) increased opportunities for the City to lease, develop and use certain land surrounding the Airport. In addition, the City agreed to annually pay to Adams County an amount equal to 50% of the revenue derived from City taxes (with certain exceptions described in the IGA Amendment) imposed upon the development or use of any Development Parcel. Such revenues are required to be shared among Adams County and the cities of Aurora, Commerce City, Brighton, Thornton and Federal Heights. The total amount of acreage the City may designate as Development Parcels may not exceed 1,500 acres in the aggregate. Adams County, with the consent of the applicable municipality, may agree to increase the number of acres available for designation as Development Parcels at any time by an amendment to the Adams County IGA as provided therein without voter approval.

Investment Policy

The Senior Bond Ordinance permits the City to invest Airport System funds in "Investment Securities" as defined therein. See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE."

In addition to the Senior Bond Ordinance, provisions of the City Charter regulate the investment of Airport System funds. In accordance with the City Charter, the City's Chief Financial Officer is responsible for the management of the investment of City funds, including Airport System funds. The City's Chief Financial Officer is authorized to invest in the following securities: obligations of the United States Government; obligations of United States Government agencies and United States Government sponsored corporations; prime bankers' acceptances; prime commercial paper; insured certificates of deposit issued by banks and savings and loan institutions which are eligible public depositories as defined under Colorado Law. Uninsured certificates of deposit are required to be collateralized in accordance with the State's Public Deposit Protection Act; repurchase agreements; security lending agreements; highly rated municipal securities; money market funds that purchase only the types of securities specified in this paragraph; any investment type in which the Colorado state treasurer is allowed to invest state moneys if otherwise compliant with the City's investment policy, and other similar securities as may be authorized by ordinance. The City Municipal Code permits the City to invest in debt service reserve fund put agreements and forward purchase agreements.

Consistent with the City Charter, the City adopted a written investment policy on September 30, 2021 that implements the following strategies: (1) no more than 5% of the total portfolio may be invested in securities of any single issuer, other than the U.S. Government, its agencies and enterprises, supranationals, local agency government investment pools, money market funds and repurchase agreements; (2) the City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the credit quality, liquidity or yield of the portfolio in response to market conditions or risk preferences; and (3) if securities owned by the City are downgraded by a nationally recognized rating agency to a level below the credit rating required by the City's investment policy, it will be the policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. The decision will be based on current maturity for such securities, the economic outlook for the issuer, and other relevant factors, including certain restrictions related to the duration of such investments, maximum limits within asset portfolios, rating restrictions, and diversification requirements. The City's Chief Financial Officer will be notified of any such downgrades and the decision made by the City's investment team.

Master Derivatives Policy

The City's Master Derivatives Policy provides guidelines concerning the use by the City's Department of Finance of swaps, caps, floors, collars, options on swaps ("**swaptions**") and other derivative financial products, including Subordinate Hedge Facility Obligations. Such derivative financial products are collectively referred to herein as "**Swaps**." See also "FINANCIAL INFORMATION—Outstanding Subordinate Bonds and —Subordinate Obligations."

In accordance with the Master Derivatives Policy, the Manager of Finance is required to develop the terms and provisions of each Swap with the input and advice of the City's financial advisors or swap advisors. Proposed Swaps must be approved by the City Council through the adoption of a swap ordinance (a "**Swap Ordinance**"). The Swap Ordinance establishes the authorized parameters for notional amount, Swap maturity, source of payment and other requirements relating to a Swap.

The Master Derivatives Policy does not restrict the City in the use of Swaps but requires the City to consider certain strategies in applying Swaps, including: (i) managing the City's exposure to floating and fixed interest rates through interest rate swaps, caps, floors, collars and other swaptions products; (ii) hedging floating rate risk with caps, collars, basis swaps and other instruments; (iii) locking in fixed rates in current markets for use at a later date through the use of forward swaps, swaptions, rate locks, options and forward delivery products; (iv) reducing the cost of fixed or floating rate debt through swaps and related products to create "synthetic" fixed or floating rate debt; (v) more rapidly accessing the capital markets than may be possible with conventional debt instruments; (vi) managing the City's exposure to the risk of changes in the legal and regulatory treatment of tax-exempt debt; and (vii) other applications to enable the City to lower costs or strengthen the City's balance sheet.

The Master Derivatives Policy requires the City to make its best efforts to work with qualified swap counterparties that (i) have a general credit rating of at least "Aa3" or "AA-" by two of the nationally recognized rating agencies, or (ii) are a triple-A rated derivative products subsidiary as rated by at least two nationally recognized credit rating agencies, but not a terminating structure (continuation structures may be approved). For lower rated counterparties, the City will require credit enhancement consistent with the Master Derivatives Policy. In cases where the counterparty's obligations are rated based on a guarantee or specialized structure to achieve the required credit rating, the City is required to thoroughly investigate the nature and legal structure of the guarantee or structure in order to determine that it fully meets the City's requirements.

Insurance

The City maintains property insurance for most of the City's real and personal property located at the Airport except for any real and personal property for which the City contracts with its lessees to provide such insurance. The Airport and the City share a property insurance policy with a total loss limit of $2 billion, with an excess policy of $500 million dedicated to the Airport, subject to a minimum $250,000 per occurrence deductible. This is based on a reported value of approximately $7 billion for the Airport. Valuation of Airport real and personal property is based upon replacement cost, subject to the total loss limit and various sublimits. Airport motor vehicles and mobile equipment assets are insured under the same property insurance policy at reported values of approximately $162 million (which is included in the $7 billion total). Certified and non-certified acts of terrorism are included under the Airport's property insurance. As an additional cost savings initiative, Airport management has determined that it is not cost effective to maintain property insurance on the Airport's runways and roadways, which are valued at approximately $1.7 billion. An Airport Owners and Operators Liability policy is maintained with a $500 million per occurrence liability limit. War risk is included in this coverage with a $150 million sublimit and certified terrorism risk is included at full policy limits. The Airport also maintains business interruption insurance with a total loss limit of $25 million in the event of a disaster-related closing or interruption in operation of the Airport, and maintains various other insurance policies including environmental pollution liability with a total loss limit of $10 million in the aggregate, network security with a total loss limit of $20 million in the aggregate, network security and cyber liability with a total loss limit of $20 million in the aggregate, crime insurance with a total loss limit of $2 million in the aggregate shared with the City, and fine arts coverage shared with the City with a total loss limit of $450 million in the aggregate. The Airport retains $2.5 million to self-insure for primary workers' compensation liability and maintains a $25 million policy for excess workers' compensation liability.

Continued Qualification as an Enterprise

Pursuant to the City Charter, the City by ordinance has designated the Department as an "enterprise" within the meaning of Article X, Section 20 of the State constitution, the effect of which is to exempt the Department from the restrictions and limitations otherwise applicable to the City under such constitutional provision. "Enterprises" are defined as government-owned businesses authorized to issue their own revenue bonds and receiving fewer than 10% of their annual revenues in grants from all State and local governments combined. The constitutional provision contemplates that qualification as an "enterprise" is to be determined on an annual basis, and while the City regards the possibility to be remote that the Department might be disqualified as an "enterprise," such disqualification would have the effect, during such period of disqualification only, of requiring inclusion of the Airport System in the City's overall spending and revenue base and limitations, and of requiring voter approval for various actions, including, with certain exceptions, the issuance of additional bonds payable from Net Revenues. One of such exceptions is the ability to refund bonds at a lower interest rate.

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of Beneficial Ownership Interests in the Series 2022C-D Bonds involve investment risks and considerations. Prospective investors should read this Official Statement, including appendices thereto, in its entirety. The factors set forth below, among others, may affect the security for the Series 2022C-D Bonds. The information below does not purport to be a comprehensive or exhaustive discussion of all risks or other considerations that may be relevant to an investment in the Series 2022C-D Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such considerations. Additional risk factors relating to the purchase and ownership of the Series 2022C-D Bonds are described throughout this Official Statement, whether or not specifically designated as risk factors. Furthermore, additional risk factors not presently known, or currently believed to be immaterial, may also materially and adversely affect, among other things, Net Revenues. There can be no assurance that other risks or considerations not discussed herein are or will not become material in the future.

Risks Related to Airline Operations and Activity

Dependence on Levels of Airline Traffic and Related Activity

The Series 2022C-D Bonds are payable solely from and secured by a senior pledge of the Net Revenues of the Airport System and certain Airport System funds and accounts held under the General Bond Ordinance. Gross Revenues are dependent primarily on the level of aviation activity and enplaned passenger traffic at the Airport. Future levels of aviation activity and enplaned passenger traffic at the Airport will be dependent upon many local, regional, national and international factors including: national and international economic conditions, the population and economy of the Airport service region, national and local unemployment rate, political conditions including wars, other hostilities and acts of terrorism, aviation security, public health concerns and pandemics, such as the spread of COVID-19, influenza, severe acute respiratory syndrome, Monkeypox or other communicable diseases, the financial health of the airline industry and of individual airlines, airline service and route networks, airline competition and airfares, airline mergers, the sale of airlines, alliances and consolidations, availability and price of aviation and other fuel, employee cost and availability and labor relations within the airline industry, aviation industry workforce shortages, capacity of the national air transportation system and of the Airport, business travel substitutes, including teleconferencing, videoconferencing and web-casting; accidents involving commercial passenger aircraft, visa requirements and other limitations on the ability of foreign citizens to enter the United States, currency exchange rates, climate change events and other natural and man-made disasters, some of which are discussed in further detail hereafter in this section. As a result of these and other factors, many airlines have operated at a loss in the past and certain airlines (including some that operated at the Airport) have filed for bankruptcy, ceased operations and/or merged with other airlines. In addition, certain airlines have taken many actions to restructure and reduce costs including reducing their workforce, renegotiating their labor agreements, reducing routes served, consolidating connecting activity and replacing mainline jets with regional jets. See also "EFFECT OF COVID-19 ON THE AIRPORT" and "AVIATION ACTIVITY AND AIRLINES" above.

In addition to revenues received from the airlines, the Airport System derives a significant portion of its revenues from parking and from concessionaires including merchandisers, car rental companies, restaurants, and others. Severe financial difficulties affecting a concessionaire could lead to a reduction in, or failure to pay, rent due under its lease agreement with the City or could lead to the cessation of operations of such concessionaire. Declines in Airport passenger traffic in the past and also as a result of the COVID-19 pandemic have adversely affected, and future declines may adversely affect, parking revenues and the commercial operations of many of such concessionaires. See "EFFECT OF COVID-19 ON THE AIRPORT."

The Airport has experienced growth in recent years in ground transportation revenue driven by fees paid by TNCs for use of Airport facilities, and continues to monitor and manage ground transportation and parking revenue opportunities. However, new technologies (such as autonomous vehicles) and new business strategies in established markets such as commercial ground transportation and car rentals may occur, which could have an impact on passengers' choice of ground transportation mode and revenues from parking and various ground transportation services. Additionally, an increase in, and potential sustained use of, videoconferencing and telecommuting initially arising as a result of the COVID-19 pandemic also may occur, which could have an adverse impact on passenger traffic generally.

Concentration of Airline Market Share

The major air carriers operating at the Airport, by local market share, are United, Southwest, Frontier, American, and Delta. Except for these airlines, no single airline accounted for more than 4.0% of passenger enplanements at the Airport in 2021 or more than 5.0% of either the airline rentals, fees and charges component of the Airport System's operating revenues or the Airport System's Gross Revenues in 2021. Major domestic airlines have joined or may be forming alliances with other major domestic airlines. Depending on which airlines serving the Airport merge or join alliances, the result may be fewer flights by one or more airlines, which decreases could be significant. For example, United Group and Southwest were responsible for 43.9% and 31.7%, respectively, of the Airport's passenger enplanements in 2021. If either of these airlines were to reduce or cease connecting service at the Airport, such flights would not necessarily be replaced by other airlines. While historically when airlines have reduced or ceased operations at the Airport other airlines have absorbed the traffic with no significant adverse impact on Airport System revenues, it is possible that were United or Southwest to cease or significantly cut back operations at the Airport, Gross Revenues, PFC collections and costs for other airlines serving the Airport could be adversely affected.

No assurances can be given with regard to the future level of activity of United, Southwest, Frontier, American or Delta at the Airport, or that, in the event that the operations of these airlines at the Airport are reduced or discontinued, for whatever reason, such operations would be replaced by other carriers. See "—Risk of Airline Bankruptcies" below, as well as "AVIATION ACTIVITY AND AIRLINES" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements."

Prospective Merger. In July 2022, after shareholders of Spirit Airlines ("**Spirit**") rejected a proposed merger with Denver-based Frontier Airlines, JetBlue Airways Corporation ("**JetBlue**") announced a definitive merger agreement to acquire Spirit. On October 19, 2022, Spirit shareholders approved the proposed merger with JetBlue. Subject to regulatory approvals and satisfaction of customary closing conditions, the merger is set to close during the first half of 2024. The combined market share of Spirit and JetBlue was less than 2% of the Airport's enplaned passengers in 2021. While the merger, if it is effected, is not expected to substantively alter the markets served by Spirit or JetBlue from the Airport, there can be no assurances that any changes to the markets served as a result of the merger may not have a material adverse effect on revenues generated from either airline. See "—*Financial Condition of the Airlines*" for a general discussion of the risk factors associated with airline mergers.

Financial Condition of the Airlines

The ability of the Airport System to derive revenues from its operations depends largely upon the financial health of the airlines serving the Airport and the airline industry as a whole. The financial results of the airline industry historically have been volatile and many carriers have had extended periods of unprofitability in the past. The airline industry is sensitive to a variety of factors, including the cost and availability of labor, fuel, aircraft, supplies and insurance; general economic conditions; international trade; currency values; competitive considerations, including effects of airline ticket pricing; governmental regulations, including security and climate change-related regulations; taxes imposed on airlines and passengers; maintenance and environmental requirements; passenger demand for air travel; strikes and other union activities; availability of financing; and disruptions caused by airline accidents, criminal accidents, public health concerns and acts of war or terrorism.

Fuel is a significant cost component of airline operations and continues to be an important and uncertain determinant of an air carrier's operating economics. Historically, aviation fuel prices have been particularly sensitive to worldwide political instability. Continued or new hostilities in the Middle East or other petroleum producing regions could dramatically impact the price and availability of aviation fuel. Spikes in fuel prices due to the hostilities in Ukraine may result in increased flight costs and reduce the demand for air travel. Economic expansion in emerging markets also contributes to higher aviation fuel prices. Fuel prices peaked between 2011 and 2014 before significantly decreasing in mid-2014. While fuel prices have declined in the past few years due to strong global supply, increased U.S. oil production and other factors, fuel prices have experienced significant increases since August 2017, and further increases in the cost of aviation fuel may occur in the future. Significant and prolonged increases in the cost of aviation fuel have had and are likely in the future to have an adverse impact on the air transportation industry by increasing airline operating costs and reducing airline profitability.

In addition, the airline industry has undergone significant changes, including mergers, acquisitions and bankruptcies, such as the JetBlue-Spirit proposed merger that would create the fifth largest airline in the country. Additional bankruptcy filings, mergers, consolidations and other major restructuring by airlines are possible. In recent years, airlines have taken a variety of measures to increase their profitability, including closures or reductions of unprofitable routes, reductions of work forces, implementation of pay cuts, streamlining of operations and introduction of new fees. The City is not able to predict whether any future airline mergers, consolidations, reorganizations or liquidations will occur or the impact that any such events may have on the airline traffic at the Airport or the operations of the Airport. The City makes no representation concerning the financial health of the airlines, and no assurance can be given regarding the impact, if any, that future unfavorable events affecting airline users or the airline industry more broadly might have upon the Net Revenue or the operations of the Airport.

See "— Dependence on Levels of Airline Traffic and Related Activity," "—Current Economic Conditions," and "—Risk of Airline Bankruptcies" in this section. See "EFFECT OF COVID-19 ON THE AIRPORT" and "AVIATION ACTIVITY AND AIRLINES" above.

Risk of Airline Bankruptcies

Airlines operating at the Airport have filed for bankruptcy in the past and may do so in the future. The City cannot predict the extent to which any such events would impact the ability of the Airport System to generate revenues to pay outstanding Senior Bonds and Subordinate Bonds. See also "AVIATION ACTIVITY AND AIRLINES—Airline Information" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements." The following is a discussion of various impacts to the Airport of an airline bankruptcy.

Assumption or Rejection of Agreements. In the event an airline that has executed a Use and Lease Agreement or other executory contract with the City seeks protection under the Bankruptcy Code, such airline must determine whether to assume, reject, or assume and assign its agreements with the City within certain timeframes provided in the Bankruptcy Code. In the event of assumption, the airline is required to cure any prior monetary defaults and provide adequate assurance of future performance under the applicable Use and Lease Agreement or other agreement.

With the authorization of the Bankruptcy Court, and without the consent and over the objection of the City, the airline may be able to reject its Use and Lease Agreement or other agreement and stop performing its obligations (including payment obligations) thereunder. In addition, the airline may be able to assign its rights and obligations under its Use and Lease Agreement or other agreement, despite any contractual provision prohibiting such an assignment.

Rejection of a Use and Lease Agreement or other agreement will give rise to an unsecured claim of the City for damages. The amount of such damages in the case of a Use and Lease Agreement or other agreement may be limited by the Bankruptcy Code to the extent any such agreement is determined to be a lease of real property. In the case of a rejection by the airline, the rights of the airline to continued possession of the facilities subject to its Use and Lease Agreement (including gates and boarding areas) would terminate. Such facilities could ultimately be leased by the Department to other airlines, but the ability to do so may depend on the state of the airline industry in general, on the nature and extent of the increased capacity at the Airport, if any, resulting from the airline's bankruptcy, and on the need for such facilities by the other airlines. Certain amounts unpaid as a result of a rejection of a Use and Lease Agreement or other agreement in connection with an airline in bankruptcy, such as airfield costs and costs associated with the baggage claim area and the underground automated guideway transit system, would be passed on to the remaining airlines under their respective Use and Lease Agreements, thereby increasing such airlines' cost per enplanement, although there can be no assurance that such other airlines would be financially able to absorb the additional costs. In addition, adjustments could be made to the terminal and concourse rents of nonairline tenants, although there can be no assurance that such tenants would be financially able to absorb the increases.

With respect to any airline that may seek bankruptcy protection under the laws of a foreign country, the City is unable to predict what types of orders or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States. Typically, a foreign airline involved in foreign bankruptcy proceedings will seek an order from a bankruptcy court in the United States to recognize the foreign proceedings, stay the actions of creditors in the United States, and have the relief ultimately granted by the foreign court applied to the airline's creditors in the United States.

Pre-petition Obligations. During the pendency of a bankruptcy proceeding, absent a court order, a debtor airline need not and may not make any payments to the City on account of goods and services provided prior to the bankruptcy. Thus, the City's stream of payments from a debtor airline would be interrupted as to prepetition goods and services, including accrued rent and landing fees. If the Use and Lease agreement of an airline in bankruptcy is rejected, the airline (or a successor trustee) under certain circumstances may also seek to avoid and recover as preferential transfers certain payments, including landing fees and terminal rentals, paid by such airline in the 90 days prior to the date of the bankruptcy filing.

*Post-petition Obligations***.** Payment of post-petition obligations may also be interrupted or delayed. However, to the extent that a Use and Lease Agreement or other agreement with a debtor airline is considered a lease of real property, unless and until such agreement is rejected, such interruption or delay in payment of post-petition obligations may be limited to 60 days after the commencement of the bankruptcy proceeding.

PFCs. Pursuant to 49 U.S.C. §40117 (as previously defined, the "**PFC Enabling Act**"), the FAA has approved the City's applications to require the airlines to collect and remit to the City a $4.50 PFC on each enplaning revenue passenger at the Airport as discussed in "FINANCIAL INFORMATION—Passenger Facility Charges" above.

The PFC Enabling Act provides that PFCs collected by the airlines constitute a trust fund held for the benefit of the eligible agency (*i.e.*, the City) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. However, the airlines are permitted to commingle PFC collections with other revenues and are also entitled to retain interest earned on PFC collections until such PFC collections are remitted. In the event of a bankruptcy, the PFC Enabling Act attempts to provide certain statutory protections for the City of PFC collections. However, it is unclear whether the City would be able to recover the full amount of PFC trust funds collected or accrued with respect to an airline in the event of a bankruptcy filing by an airline, particularly where the bankruptcy filing results in a liquidation or cessation of business. The City also cannot predict whether an airline operating at the Airport that files for bankruptcy would have properly accounted for PFCs owed to the City, whether the bankruptcy estate would have sufficient moneys to pay the City in full for PFCs owed by such airline, or whether the funds would be determined to constitute property of the airline's bankruptcy estate, leaving the City with a general unsecured claim for PFCs collected but not remitted by the airline.

Industry Workforce Shortages.

General labor shortages, including pilots and mechanics, have been impacting, and may continue to impact, the airline industry and the Airport. Several major airlines have announced reduced schedules and have cancelled flights as a result of reported labor shortages and staffing challenges. Labor shortages have been attributed to thousands of workers in the airline industry opting for buyouts, early retirement packages or otherwise terminating their employment during the COVID-19 pandemic. Staffing challenges as a result of COVID-19 infections and quarantines also may have short-term impacts on an airline's ability to operate scheduled flights.

Pilot shortages in particular have been an industry-wide issue, especially so for smaller regional airlines. There are several causes for the pilot shortage affecting all airlines. Congress changed duty time rules in 2010 to mitigate pilot fatigue, which required airlines to increase pilot staff. Beginning in 2013, first officers flying for commercial airlines have been required to have at least 1,500 hours of flight time, instead of the 250 hours previously required. Other factors include an aging pilot workforce and fewer new pilots coming out of the military. Further, as passenger demand increases and air traffic demand returns, the major air carriers are anticipated to need additional pilots, and are generally able to hire pilots away from regional airlines. An additional concern regarding the pilot workforce came to light due to the COVID-19 pandemic. Pilots were self-reporting increased errors to NASA's Aviation Safety Reporting System and attributed their errors to the reduction in flights due to the pandemic, which meant less time for pilots in the cockpit. Such reports raise the possible need for retraining opportunities as the airline industry recovers.

In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines' fleet of planes. This potential shortage is a result of an aging pool of mechanics, a large portion of which are expected to retire in the next decade, and a lack of younger people joining the ranks of the mechanics. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

COVID-19 Risks

The COVID-19 pandemic has resulted in a widespread health crisis that has adversely affected businesses and economies worldwide. The full impact of COVID-19 may still be unknown and continues to evolve. Stay-at-home orders, social distancing guidelines, and travel restrictions adversely affected the economies and financial markets of many countries in 2020 and 2021, resulting in an economic downturn that has negatively impacted, and may continue to negatively impact, the local economy, the airline industry and transportation in general. Although economies and travel are recovering, the City and Airport System's financial condition and results of operations, and the financial condition and results of operations of the airlines serving the Airport, have been adversely affected by the COVID-19 pandemic and may continue to see setbacks in recovery to pre-COVID operations. The City and the Department cannot predict the outcome of many factors related to COVID-19 that could continue to materially adversely affect the Airport System's financial condition or results of operations, including the continued duration or extent of the COVID-19 pandemic or another outbreak, pandemic, or force majeure event; the scope of any mitigation measures; the extent of long-term effects of COVID-19 on manufacturing, supply chain, construction, concessionaire, travel or employee matters; or the potential for any additional federal funding beyond the Stimulus Funds already received.

Under the COVID-19 Relief Policies, Signatory Airlines and car rental companies were permitted to defer certain payments under their Use and Lease Agreements and concession agreements, respectively. See "EFFECT OF COVID-19 ON THE AIRPORT—Summary of Department Actions Taken in Response to COVID-19—*COVID-19 Relief Policies for Airlines and Concessionaires*." Except as described therein, the Report of the Airport Consultant assumes the Department will not implement any further relief policies; however, there can be no assurances that additional relief policies will not be implemented or necessary, that airlines may not request additional relief or rent deferrals or abatements, and that any deferred payments under the COVID-19 Relief Policies will be made on time or at all. Future relief policies or a failure to repay deferred payments may have an adverse effect on the operations or financial condition of the Airport System or the airlines serving the Airport.

See "EFFECT OF COVID-19 ON THE AIRPORT."

Airport Use and Lease Agreements

A substantial portion of Gross Revenues available for payment of debt service is derived from rentals, fees and charges imposed upon the Signatory Airlines under the Use and Lease Agreements. Pursuant to the Use and Lease Agreements, each Signatory Airline has agreed to pay the rates and charges for its use of the Airport. All Use and Lease Agreements with passenger Signatory Airlines expired on December 31, 2021 (with the exception of United and Southwest, each of which expires in 2035, and Frontier, which expires 10 years after their date of occupancy of the new Concourse A (East) ground load facility). The City has exercised the first of two one-year extensions to the Use and Lease Agreements, expiring on December 31, 2022. The City has the option to extend for one additional year, through December 31, 2023. Any of such Use and Lease Agreements may be terminated by the City or by a Signatory Airline, including United, under certain circumstances. No representations are made herein regarding whether additional Use and Lease Agreements will be executed or with respect to extensions or terminations thereof or that challenges will not be made by airlines to the rates and charges established by the City or its method of allocating particular costs. See "—*Risk of Airline Bankruptcies*" below and "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger Airlines Use and Lease Agreements."

Upon the expiration or termination of a Use and Lease Agreement, an airline is required to surrender the leased premises to the City. Holding over by a Signatory Airline following the expiration of the term of a Use and Lease Agreement or any extension thereof, without an express agreement as to such holding over, is deemed to be a periodic tenancy on a month-to-month basis. In such case, a Signatory Airline is subject to all the terms and conditions of the Use and Lease Agreement. Rent, fees, and charges for each month of such holding over are required to be paid by the airline to the City in an amount that is generally equal to the monthly rental, fees, and charges required for the month prior to the end of the term of such agreement. The City may encounter significant expenses, delays and potentially nonpayment of amounts owed by the airline following the expiration or termination of the related Use and Lease Agreement should the City be required to pursue legal action to enforce the Use and Lease Agreements.

Ability to Meet Rate Maintenance Covenants

As described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Rate Maintenance Covenants", each of the Senior Bond Ordinance and the Subordinate Bond Ordinance includes covenants with respect to the establishment of rentals, rates, fees, and charges for the use of the Airport System in order that in each Fiscal Year the Gross Revenues, together with other Available Funds, will be sufficient to meet the Senior Rate Maintenance Covenant and the Subordinate Rate Maintenance Covenant, as applicable. However, each of the Senior Bond Ordinance and the Subordinate Bond Ordinance provides that so long as the Department is taking specified steps to meet the Senior Rate Maintenance Covenant and the Subordinate Rate Maintenance Covenant, as applicable, an Event of Default under the Senior Bond Ordinance or Subordinate Bond Ordinance, as applicable, will not be triggered. The ability of the Department to increase rates and charges and to reduce expenses is limited by, among other things, federal law and certain agreements with airlines and other users of the Airport facilities.

Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of the Airport could have a detrimental impact on the operation of the Airport by making the cost of operating at the Airport unattractive to airlines, concessionaires, and others, and/or by reducing the operating efficiency of the Airport. Notwithstanding this potential detrimental impact, the Signatory Airlines have agreed that the rate base for rentals, fees and charges must generate Gross Revenues, which together with Other Available Funds, must be sufficient to satisfy the Senior Rate Maintenance Covenant, and the Signatory Airlines have agreed to pay such rentals, rates, fees and charges pursuant to the Use and Lease Agreements. No similar agreement exists with respect to the Subordinate Rate Maintenance Covenant.

Except for amounts designated toward concessionaire relief and AIP project grants, as described herein, the City has irrevocably committed the Stimulus Funds to Debt Service Requirements and Subordinate Debt Service Requirements so that such committed amounts can be excluded therefrom for purposes of determining compliance with the Senior Rate Maintenance Covenant and the Subordinate Rate Maintenance Covenant. The City applied approximately $269.1 million of the CARES Act Funds to Debt Service Requirements and Subordinate Debt Service Requirements in 2020 and 2021 and has deposited funds into the CRRSAA Irrevocable Escrow ($48.6 million) and ARPA Irrevocable Escrow ($204.3 million) for application to the Debt Service Requirements and/or Subordinate Debt Service Requirements. See "EFFECT OF COVID-19 ON THE AIRPORT—Federal Relief Programs" herein.

Risks Related to Economic and Environmental Conditions

Current Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the condition of the U.S. economy and levels of real disposable income. Previous recessions and periods of stagnant economic conditions in the U.S., Colorado and the Denver metropolitan area contributed to reduced passenger traffic at the Airport. For a discussion of economic and demographic information with respect to the Denver metropolitan area, see "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

With the globalization of business and the increased importance of international trade and tourism, growth in the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economic conditions, trade balances, currency exchange rates, political relationships, and hostilities are important influences on passenger traffic at U.S. airports, including the Airport. Sustained future increases in passenger traffic at the Airport will depend in part on stable international conditions as well as national and global economic growth. See also "Dependence on Levels of Airline Traffic and Related Activity" above.

Global Climate Change Risks

The Airport System's ability to generate Gross Revenues is at risk from climate change impacts and other force majeure events, such as extreme weather events, wild fires, and other natural occurrences, although the Airport's geographic location and high elevation reduce these risks compared to other large commercial airports. Furthermore, the long-term effects of climate change, combined with the increasing passenger awareness of the climate change impacts of aviation, could reduce demand for travel globally or locally. Increased frequency and intensity of storms, including excessive snow storms and tornadoes, droughts, and fires may have an adverse impact on the Airport's operations and infrastructure. Although Airport management has taken steps to implement various environmental programs that may reduce climate change risks, such as the development of an ISO 14001-certified Environmental Management System, a robust stormwater collection system, and diversified solar energy programs, there can be no assurances that any mitigation measures will reduce the impacts of climate change locally or globally. The Department has committed to developing a science-based greenhouse gas emissions target and including climate change adaptation planning into future infrastructure projects to further reduce the risk of climate change impacts. See "DENVER INTERNATIONAL AIRPORT—Sustainability Initiatives" herein for a description of environmental programs at the Airport.

In addition to the direct effects of climate change described above, there are pending and potential regulations aimed at reducing the effects of climate change, and in particular state, federal and international regulations and accords pertaining to greenhouse gas ("**GHG**") emissions. Such regulatory changes could directly and/or indirectly affect Airport operations, infrastructure and financial conditions, and could require significant upgrades to planes and facilities and increase the cost of jet fuel, or both, thereby increasing the cost of air travel and potentially reducing air travel demand.

The City and the Department are unable to predict what additional laws and regulations with respect to GHG emissions or other environmental issues will be adopted, or what effects such laws and regulations will have on the Airport, airlines operating at the Airport, other Airport concessionaires, or local economy. The future effects of climate change on the City, the Airport, Airport concessionaires and Airport operations and infrastructure are complex, difficult to predict, depend on many factors outside of the City, Department and airline's control, and could have material adverse effects. Furthermore, actual events may differ from any scientific climate change studies or forecasts. Accordingly, the City and the Department are unable to forecast when adverse climate change effects, or the confluence of these events or effects of climate change will occur, or whether and what magnitude of adverse economic effects may impact the Airport or air travel generally during the term of the Series 2022C-D Bonds.

No assurance can be given that adverse climate change events or natural disasters will not occur while the Series 2022C-D Bonds are outstanding, that the Department will not have to implement additional adaptive mitigation measures at the Airport, and/or that such measures will not require significant capital resources. Although the Department has attempted to mitigate the risk of loss from many of these occurrences by purchasing commercial property and casualty insurance and business interruption insurance, no assurance can be given that such insurance will always be available in sufficient amounts, at a reasonable cost or available at all, or that insurers will pay claims in a timely manner or at all.

Security Concerns

In addition to concerns around traveling during the COVID-19 pandemic, general concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities and terrorist attacks may influence passenger travel behavior and air travel demand. Travel behavior also may be affected by anxieties about the safety of flying, the inconveniences and delays associated with more stringent security screening procedures, the potential exposure to severe illnesses and natural disasters, fires and explosions, spills of hazardous substances, strikes and lockouts, sabotage, wars, blockades, and riots, all of which could lead to the avoidance of airline travel or the use of alternate modes of transportation. Any decrease in passenger activity at the Airport would cause a corresponding decline in Gross Revenues. The City is unable to predict how serious the impact of security, international hostilities, or other future pandemics may become, what effect they may have on air travel to and from the Airport, and whether any such effects will be material.

Cybersecurity Risks

Computer networks and data transmission and collection are vital to the efficient operation of the airline industry. Air travel industry participants, including airlines, the FAA, the TSA, the Airport, concessionaires and others collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to air travel industry operations. Despite security measures, information technology and infrastructure of the Airport and any airlines serving the Airport may be vulnerable to attacks by networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Cybersecurity incidents could result from unintentional events, such as breaches caused by employee error, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Airport's computer networks for the purposes of misappropriating assets or information or causing operational disruption and damage. Additionally, cybersecurity breaches could cause material disruption to the Airport's operations and the safety and efficiency of the air travel industry generally.

Any such disruption, access, disclosure or other loss of information could expose the Airport to material litigation and other legal risks, which would cause the Airport to incur material costs related to such legal claims or proceedings, and could result in liability under laws that protect the privacy of personal information, regulatory penalties, disruption in the safety and/or efficiency of the operation of the airlines serving the Airport and the services provided by the Airport, and cause a loss of confidence in the air travel industry, which could ultimately adversely affect Gross Revenues.

The Airport maintains a security posture designed to deter cybersecurity attacks and is committed to deterring attacks on its electronic systems and responding to such attacks to minimize their impact on operations, and the Airport's cybersecurity and operational safeguards are periodically tested. The Airport also maintains a cyber liability insurance policy that may offset any material costs associated with a cyber attack. However, no assurances can be given that the Airport's security measures will prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Airport or the airlines serving the Airport.

Risks Related to Federal Regulations and Funding

Regulations and Restrictions Affecting the Airport

The Airport is subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. The Airport is highly regulated by federal agencies including the FAA, the TSA, Customs and Border Protection, and the U.S. Department of Health. The City is unable to predict the adoption or amendment of additional laws, rules or regulations, or their effect on the operations or financial condition of the Airport.

The operations of the Airport are also affected by a variety of contractual, statutory and regulatory restrictions and limitations, including, without limitation, the provisions of the Use and Lease Agreements, the federal acts authorizing the imposition, collection, and use of PFCs, and extensive federal legislation and regulations applicable to all domestic airports. It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the City or whether such restrictions or legislation or regulations would adversely affect Gross Revenues. See also “AGREEMENTS FOR USE OF AIRPORT FACILITIES” and “FINANCIAL INFORMATION—Passenger Facility Charges” and “FINANCIAL INFORMATION—Federal Grants and Other Funding; Financial and Performance Audits.”

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. See “—Risks Related to Economic and Environmental Conditions—*Global Climate Change Risks.”*

Federal Funding; Impact of Federal Sequestration

The Airport depends on federal funding not only in connection with grants and PFC authorizations but also because federal funding provides for TSA, air traffic control, and other FAA staffing and facilities. The FAA currently operates under the 2018 Reauthorization Act, which extended certain authorizations and funding from the FAA Modernization and Reform Act of 2012 and the FAA Extension, Safety, and Security Act of 2016. The 2018 Reauthorization Act retained the federal cap on PFCs at $4.50 and does not provide any increase in such rate, and authorized $3.35 billion per year for the AIP during the authorization period (which runs through September 30, 2023). The AIP provides funds to finance capital improvements to commercial, cargo and general aviation airports. AIP grant moneys include entitlement funds that are appropriated annually based on enplaned passengers as well as discretionary funds that are available at the discretion of the FAA. See “FINANCIAL INFORMATION—Federal Grants and Other Funding; Financial and Performance Audits.”

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 City 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 (i) increase by a corresponding amount the capital expenditures that the City would need to fund from other sources, (ii) result in adjustments to the 2018-2022 Capital Program, 2023-2027 Capital Program and future capital programs, and/or (iii) extend the timing for completion of certain projects. There can be no assurance that Congress will enact and the President will sign an FAA reauthorization act or additional extension before the FAA authority expires on September 30, 2023. Failure to adopt such legislation could have a material, adverse impact on the AIP grant program and the Airport.

In addition to the AIP grants, the City, for and on behalf of the Department, has received and committed to debt service payments approximately $522.0 million of Stimulus Funds (as defined in "EFFECT OF COVID-19 ON THE AIRPORT—Federal Relief Programs") pursuant to Stimulus Acts (as defined in the same section) that were designed to prevent, prepare for and respond to the impacts of COVID-19. The Stimulus Funds also provided approximately $36.0 million in concessionaire relief as further described under "EFFECT OF COVID-19 ON THE AIRPORT—Federal Relief Programs." There is no assurance that additional federal funding to address any future negative effects of COVID-19 on airports will be made available to the Airport.

Federal funding received by the Airport also could be adversely affected by implementation of certain provisions of a federal budgetary feature called sequestration. Sequestration could adversely affect FAA operations, TSA budgets, and the availability of certain federal grant funds typically received annually by the Airport. These federal spending cuts would likely be spread over a number of years. In addition to adversely affecting the United States economy, commercial aviation operations throughout the United States could also be adversely affected due to layoffs or furloughs of federal employees responsible for certain critical federal airport functions. The full impact of such sequestration measures on the Airport is unknown at this time.

Availability of PFCs

As described herein, prior to January 1, 2019, two-thirds of the PFCs received by the City (the $3.00 portion of the $4.50 PFC) were irrevocably committed through 2018 to the payment of Debt Service Requirements on Senior Bonds. The City determined not to extend such irrevocable commitment after December 31, 2018. In addition, one-third of the PFCs received by the Airport pursuant to certain PFC applications (the $1.50 portion of the $4.50 PFC) were considered Gross Revenues under the General Bond Ordinance through 2018. Commencing on January 1, 2019, all PFC revenues received by the City are now included in Gross Revenues until such time as the Manager gives written notice to the Treasurer that such PFCs, or a portion thereof, shall no longer be included in Gross Revenues for purposes of the Bond Ordinances. See "FINANCIAL INFORMATION—Passenger Facility Charges." PFCs that are designated as Gross Revenues are taken into account in determining whether the Senior Rate Maintenance Covenant and the Subordinate Rate Maintenance Covenants have been met as described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Rate Maintenance Covenants."

The Airport's receipt of PFC revenues is subject to several risks. First, the Airport's current PFC authorization expires on October 1, 2031. Second, the amount of PFCs received by the Airport in future years depends on the actual number of PFC-eligible passenger enplanements at the Airport. If enplanements decline so will the Airport's PFC revenues. Third, the Airport's authority to impose PFCs may be terminated (subject to procedural safeguards) for various reasons, including for a failure by the Airport to observe FAA requirements regarding use of these revenues. See "FINANCIAL INFORMATION—Passenger Facility Charges."

Legislation was introduced in the House of Representatives in the past and may be introduced in the future to amend the PFC Enabling Act, to, among other things, remove the $4.50 PFC cap on each enplaning revenue passenger and authorize an eligible agency to impose a PFC of any amount on each enplaning revenue passenger at an airport the agency controls. No assurance can be given that any such legislation will be enacted; that in the event such legislation is enacted, the Airport will submit an application to increase the rate of PFCs collected at the Airport above $4.50 or that any such application will be granted by the FAA; that the Airport's authority to impose a PFC will not be terminated by Congress or the FAA; that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Airport; or that the Airport will not seek to decrease the amount of PFCs to be collected, provided that such decrease does not violate the City's covenants in the Bond Ordinances. A shortfall in PFC revenues may cause the Airport to increase rentals, fees and charges at the Airport to meet the Senior Rate Maintenance Covenant and the Subordinate Rate Maintenance Covenants.

Risks Related to Airport Facilities, Construction Risk and Availability of Funding

Construction Risks Related to Projects Within the Total Capital Program

The ability of the City to complete remaining projects in the 2018-2022 Capital Program and to complete projects included in the 2023-2027 Capital Program may be adversely affected by various factors including: (i) estimating variations, (ii) design and engineering variations, (iii) changes to the scope, scheduling or phasing of the capital projects, (iv) delays in contract awards, obtaining permits, approvals or reviews, (v) material and/or labor shortages, (vi) unforeseen site conditions, (vii) adverse weather conditions, natural disasters, climate change factors, or other casualty events, (viii) contractor defaults, (ix) labor disputes and work stoppages, (x) unanticipated levels of inflation, (xi) environmental issues, (xii) litigation, (xiii) tariffs or other taxes imposed by state or federal authorities, as well as trade disputes among U.S. trading partners, (xiv) delays due to airline operational needs, (xv) bidding conditions through the Department's procurement process and (xvi) continuing effects of COVID-19 or other pandemics of a similar nature.

Such occurrences or similar occurrences may cause the completion of projects within the Total Capital Program to be delayed or cost more than planned. If certain projects within the Total Capital Program that will generate Gross Revenue, such as the concourse gate expansion project or the Great Hall Project, should be delayed for any reason for which monetary damages from a contractor, subcontractor, supplier or materialman would be insufficient to compensate it for the loss of Gross Revenues resulting from such delay, Gross Revenues may be adversely affected, and the payment of debt service on the Senior Bonds and the Subordinate Bonds, including the Series 2022C-D Bonds may likewise be adversely affected. In addition, failure to complete projects in the Total Capital Program could adversely affect the ability to generate and realize Gross Revenues.

Additionally, the City, for and on behalf of the Department, contracted with a new project team for the Great Hall Project in March 2020, which team completed construction of Phase 1 of the Great Hall Project and is expected to complete construction of remaining phases as well. The City, for and on behalf of the Department, currently projects that the total design and construction costs of all phases of the Great Hall Project will be $2.1 billion. The scope and design of the second and completion phases of the Great Hall Project remains subject to evaluation by the Department with respect to certain Airport needs, including COVID-19 considerations such as use of space and social distancing requirements. The final completion date of the Great Hall Project is currently anticipated to be summer of 2028. See "DENVER INTERNATIONAL AIRPORT—Great Hall Project Developments."

Delays to construction of the projects included in the Total Capital Program due to any future procurement processes or general construction risks described above, or due to redesigned spaces as a result of COVID-19, may result in increased costs beyond the originally budgeted amount, delay of the completion date, potential loss of concessions revenue due to concessions opportunities not being available or being delayed, and prolonged inconvenience to travelers. Global supply chain issues and shipping delays continue to adversely affect the implementation of the Total Capital Program at the

Airport, including but not limited to delays in the procurement of major equipment and vehicles, replacement cars for the AGTS, concourse escalators and light fixtures, among others.

Furthermore, there may be additional costs or payments required to be made under a construction contract for the completion of the construction of the projects included in the Total Capital Program, including the Great Hall Project. There can be no assurances that the projected design and construction costs will fall within the original budgeted amount.

The Department may continue to adjust the scope, timing and priority of projects in the Total Capital Program at the Airport. There can be no assurance that the construction of any project within the Total Capital Program will be completed on time; that any or all of the required permits, approvals and reviews will be obtained at all or in a timely manner that will permit such projects to be constructed on schedule; that the Airport and/or airline operations will not be affected by any delay in completion or commencement of operation of the such projects; or that the remedies available to the City, for and on behalf of the Department, as a result of any failure to perform by any contractor, subcontractor or supplier and/or termination of agreements with such parties would be sufficient to compensate it for the loss of Gross Revenues resulting from such delay or termination, or that any such events will not adversely affect the ability of the City to generate and realize Gross Revenues.

Access to Credit Markets; Availability of Funding for the Total Capital Program

The City, for an on behalf of the Department, plans to access the credit markets in future years in order to issue additional Airport System revenue bonds to finance portions of the Total Capital Program or future capital programs, remarket existing Airport System revenue bonds, and extend the terms of reimbursement agreements related to certain variable rate Senior Bonds. In order to extend or replace such reimbursement agreements, the City, for an on behalf of the Department, may determine that it is necessary to remarket such series of Senior Bonds, potentially resulting in increased Debt Service Requirements of the Senior Bonds. In addition, disruptions in the credit markets, like those which occurred in 2008-2010, may cause the City, for an on behalf of the Department, to reduce or delay portions of the Total Capital Program or future capital programs.

The estimated costs of and the projected schedule for the Total Capital Program and certain other information regarding projects included in the Total Capital Program are described in "CAPITAL PROGRAM" above. The proposed capital projects are subject to a number of uncertainties, and capital project budgets are updated from time to time. The funding plan for the Total Capital Program, as described herein, assumes that a combination of the proceeds of Airport System revenue bonds, moneys on deposit in the Airport's Capital Fund, and various federal grants will be received in amounts and at times necessary to pay the costs of portions of the Total Capital Program.

No assurance can be given that these sources of funding will actually be available in the amounts or on the schedule assumed, or that the existing or future capital projects will not cost more than the current budget or future budgets for such projects. Furthermore, the City is unable to estimate the costs associated with each of the risks identified above and the total impact of these risks if such events were to occur. The City may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule, resulting in different results than those included herein or in the Report of the Airport Consultant.

Airport Hotel Risks

The principal sources of revenues from the Airport Hotel, which is owned by the Airport and managed by Westin, are room rentals, food sales to guests and other related charges and fees. See

"DENVER INTERNATIONAL AIRPORT—Hotel and Transit Center—*The Airport Hotel*" for a description of the Airport Hotel. The primary risk associated with the receipt of room rentals and food sales is the occupancy level of the Airport Hotel. A number of factors that may impact the occupancy level and that are beyond the control of the Airport or Westin include the continuation or exacerbation of the COVID-19 pandemic and related travel restrictions, adverse changes in the national economy and levels of tourism, competition from other hotels, sales taxes, energy costs, governmental rules and policies, gasoline and other fuel prices, airline fares and the national economy. In addition, because hotel rooms are rented for a relatively short period of time compared to most commercial properties, hotels respond more quickly to adverse economic conditions and competition than do other commercial properties that are rented for longer periods of time, which could impact, among other things, the average daily room rate ("**ADR**").

The occupancy rates and the ADR of the Airport Hotel are also dependent in part on the national brand name recognition of Westin. If Westin's premium brand market power and position were to be reduced, or if Westin were to discontinue its services as the manager or fail to renew any of the management agreements in the future, these factors could adversely impact the occupancy rates and ADR of the Airport Hotel unless Westin were replaced by a comparable operator with national brand name recognition.

In the event gross operating revenues of the Airport Hotel are not sufficient in a particular month to pay Airport Hotel operating and maintenance expenses then due, amounts in the Revenue Fund not related to the Airport Hotel are to be applied to pay any such Airport Hotel expenses prior to the payment of debt service on any Senior Bonds and Subordinate Bonds. Airport Hotel revenues have been strong since its opening in 2015, other than recent reductions in revenues due to COVID-19, and have been sufficient to date to pay its operating and maintenance expenses; however, there is no assurance that operating revenues of the Airport Hotel will continue to be sufficient to pay its operating and maintenance expenses.

Monetary Liability for Noise Standards Violations Under the Adams County IGA

The City and Adams County are involved in litigation relating to, among other things, the noise monitoring system used by the City to determine the Airport's compliance with the Noise Standards (as previously defined and described in "FINANCIAL INFORMATION – Intergovernmental Agreement with Adams County") established under the Adams County IGA (as defined and described in "FINANCIAL INFORMATION – Intergovernmental Agreement with Adams County"), and the annual number of Noise Standards violations claimed by Adams County. The District Court for Jefferson County, Colorado, ruled that the City's use of the noise modeling system known as ARTSMAP to measure compliance with the Noise Standards does not comply with the language of the IGA, and awarded Adams County and certain other jurisdictions involved in the litigation liquidated damages in the amount of $500,000 per Class II violation (i.e., the liquidated damages amount set forth in the IGA for each Class II violation) for 67 Class II violations for years 2014 through 2016, plus pre- and post-judgment interest. In addition, Adams County sent notices to the City alleging 44 Class II violations for years 2017 through 2019 and the City anticipates receiving additional notices of Class II violations for years 2020 and 2021. Adams County calculated the Noise Standards violations for years 2014 through 2019 using an alternative, non-ARTSMAP noise analysis that the City believes is heavily contaminated with community and other non-aircraft noise. The City is not able to predict how many Class II violations will be asserted by Adams County each year using this system. The City has proposed an alternative system, and is negotiating with Adams County new methods and best technology for monitoring noise and calculating Noise Standards violations for the year 2017 and subsequent years, but no agreement has been reached by the parties and there are no assurances that such agreement will be reached. If the parties fail to reach such agreement, Adams County may seek a court enforcement action for these violations similar to the court enforcement action for the violations in 2014, 2015, and 2016 described above. Furthermore, even if the parties agree on new methods and technology, it is foreseeable that the new system could determine that aircraft noise is exceeding the Noise Standards, and liquidated damages will be payable for any Class II exceedances. See "LITIGATION—Current Litigation and Controversy Relating to the Adams County IGA."

Enforcement of Remedies

The Senior Bond Ordinance provides that upon the happening and the continuance of an event of default, the Owners of not less than 10% of the outstanding Senior Bonds may accelerate all of the outstanding Senior Bonds. An event of default with respect of any Senior Bonds also is an event of default under the Subordinate Bond Ordinance and Junior Lien Bond Ordinance. However, an event of default under the Subordinate Bond Ordinance or the Junior Lien Bond Ordinance is not an event of default under the Senior Bond Ordinance, and upon the occurrence of an acceleration event under the Subordinate Bond Ordinance or Junior Lien Bond Ordinance, the Senior Bonds Debt Service Requirements would continue to be paid in the same priority from Net Revenues as set forth in the Senior Bond Ordinance and as generally described above under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Flow of Funds; Revenue Fund."

The rights and remedies available to the Owners of the Series 2022C-D Bonds may become subject to, among other things, the federal bankruptcy code; applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting creditors' rights generally, now or hereinafter in effect; equity principles; limitations on the specific enforcement of certain remedies; the exercise by the United States of America of the powers delegated to it by the Constitution; the reasonable and necessary exercise, in certain circumstances, of the police powers inherent in the sovereignty of the State and its governmental bodies having an interest in serving a significant and legitimate public purpose; and regulatory and judicial actions that are subject to discretion and delay. Although the State of Colorado does not presently authorize the City or the Airport to commence a bankruptcy proceeding under Chapter 9 of the Bankruptcy Code, should such an authorization be provided in the future, the provisions of Chapter 9 of the Bankruptcy Code and court decisions thereunder may result in additional risks associated with bankruptcy proceedings. The foregoing could subject the Owners of the Series 2022C-D Bonds to, among other things, judicial discretion and interpretation of rights; the automatic stay provisions of the federal bankruptcy code; rejection of significant agreements; avoidance of certain payments to the Owners of the Series 2022C-D Bonds as preferential payments; assignments of certain obligations, including those in favor of the Owners of the Series 2022C-D Bonds; significant delays, reductions in payments and other losses to the Owners of the Series 2022C-D Bonds; an adverse effect on the liquidity and values of the Series 2022C-D Bonds; additional borrowings, which borrowings may have a parity lien on Net Revenues; and alterations to the interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants) and other terms or provisions of the General Subordinate Bond Ordinance or the Series 2022C-D Bonds.

Legal opinions to be delivered concurrently with the delivery of the Series 2022C-D Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2022C-D Bonds may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, as well as limitations on legal remedies against cities in the State. In the event the City fails to comply with its covenants under the Senior Bond Ordinance or the Subordinate Bond Ordinance, there can be no assurance that available remedies will be adequate to fully protect the interests of the holders of the Series 2022C-D Bonds.

Additional Rights of Certain Owners of Senior Bonds

In 2014, the City completed the restructuring of multiple series of Senior Bonds bearing interest at variable rates. The restructuring consisted of extending the maturities and changing or establishing mandatory sinking fund redemption dates for such Series of Senior Bonds, which were purchased by certain financial institutions pursuant to reimbursement agreements entered into with the City. See "FINANCIAL INFORMATION—Outstanding Senior Bonds—*Credit Facility Obligations Related to Senior Bonds*." Such reimbursement agreements include representations, covenants and agreements of the City solely for the benefit of such financial institutions as owners of the restructured Senior Bonds in addition to those contained in the General Bond Ordinance. The covenants in a reimbursement agreement may be waived or modified with only the consent of the related financial institution as owner of the Senior Bonds and without consent of or notice to any owners of other Senior Bonds. The ability of the City to comply with such covenants can be affected by events beyond its control, and there can be no assurance that it will continue to meet such covenants.

An event of default under a reimbursement agreement could result in an event of default under the Senior Bond Ordinance, which is an event of default under the Subordinate Bond Ordinance. Under the Senior Bond Ordinance, the consent of the owners of not less than 10% in principal amount of the Senior Bonds Outstanding is required to accelerate payment of the Senior Bonds upon an event of default. See "APPENDIX B-1—AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE—ARTICLE XII—Defaults, Rights and Remedies of Bondowners." See also "—Enforcement of Remedies" above.

LIBOR Risk Factors

Some of the outstanding Senior Bonds as well as some of the outstanding Subordinate Hedge Facility Obligations have payments referenced off of the London interbank offered rate ("**LIBOR**"). In July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (the "**FCA**"), which regulates LIBOR, announced that it expects that it would not be in a position to sustain LIBOR through its influence or legal compulsion powers after the end of 2021 and called for an orderly transition over a four to five-year period from LIBOR to the reference rates selected by the Alternative Rate Committees (as defined below). On November 30, 2020, the ICE Benchmark Administration Limited announced its plan to extend the date that most U.S. Dollar LIBOR values would cease being computed and published from December 31, 2021 to June 30, 2023. On March 5, 2021, the ICE Benchmark Administration Limited published a feedback statement that confirmed its intention to cease publication of the one week and two month U.S. Dollar LIBOR tenors after December 31, 2021 and all other U.S. Dollar LIBOR tenors after June 30, 2023. Central banks around the world, including the U.S. Federal Reserve, have commissioned working groups that include market participants (the "**Alternative Rate Committees**") with the goal of finding suitable replacements for their currency's LIBOR that are based on observable market transactions. The City and the Department also may in the future pursue amendments to its LIBOR-based financial instruments to provide for a transaction mechanism or other reference rate in anticipation of LIBOR's discontinuation, but it may not be able to reach agreements with its counterparties regarding any such amendments. Any transition away from LIBOR, as well as the uncertainty surrounding the future of LIBOR and future regulatory and market developments, could have a materially adverse effect on the current and future trading market for, and the market price of, LIBOR-based financial instruments, such as certain swap agreements, including swap agreements related to certain of the Airport's Senior Bonds and Subordinate Contract Obligations.

Credit Risk of Swap Counterparties

The City has entered into interest rate swap agreements with various financial institutions. See "FINANCIAL INFORMATION—Subordinate Obligations." During and following the U.S. recession in 2008-2009, each of the Rating Agencies downgraded the claims-paying ability and financial strength ratings of many commercial banks and other financial institutions serving as counterparties, though many of the institutions have subsequently been upgraded. The Rating Agencies could announce downgrades of these entities in the future, which could have a material adverse effect on the Airport System, including significant increases in its debt service costs.

The occurrence of certain events, including non-payment or a ratings downgrade of the applicable swap providers if not cured, could give the other party to the swap agreement the ability to cause a termination thereof (or might result in automatic termination in the case of a bankruptcy). The amount due in connection with any such termination could be owed by, or to, the Airport System depending on interest rate conditions at the time of termination regardless of fault. The amount owed may be substantial, and any such termination could leave the parties unhedged. A termination may be avoided by novating the swap to another party, or the burden of the Airport System having to pay any such termination payment may be alleviated by entering into a replacement swap on the same terms as the terminating swap but with the new swap provider's payment of an upfront fee which could be used to pay all or a portion of the termination payment. The availability of such options would depend on the applicable termination events, and parties' creditworthiness and market conditions at the time. See "FINANCIAL INFORMATION—Subordinate Obligations."

Report of the Airport Consultant; Actual Results May Differ from Projections and Assumptions

The Report of the Airport Consultant included as APPENDIX A was prepared in connection with, but prior to the actual offering and sale of the Series 2022C-D Bonds, and consequently makes various assumptions as set forth therein and is subject to uncertainties. It will not be revised to reflect certain events or updates that occur after its dated date. The range of projected key financial metrics included in the Report of the Airport Consultant was prepared based on certain assumptions as further described therein.

The Report of the Airport Consultant is an integral part of this Official Statement and should be read in its entirety for an understanding of all of the assumptions used to prepare the projections made therein. No assurances can be given that the projections discussed in the Report of the Airport Consultant will be achieved or that the assumptions upon which the projections are based will be realized. As noted in such report, any projection is subject to uncertainties; therefore there are likely to be differences between the projections and actual results, and those differences may be material. See "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

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," "intend," "propose," "plan," "expect," "assume" and similar expressions identity 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. Inevitably, some assumptions used to develop the forward-looking statements in this Official Statement will not be realized and unanticipated events and circumstances will occur. The forward-looking statements and projections presented herein and in the Report of the Airport Consultant incorporate certain assumptions more fully described above and in the

Report of the Airport Consultant. Any forward-looking statement and/or projection should be read in connection with the related assumptions. It can be expected that there will be differences between forward-looking statements and projections presented herein and in the Report of the Airport Consultant, and actual results, and those differences may be material.

Potential Tax Law Changes

From time to time, there are legislative proposals in Congress and in state legislatures that, if enacted, could alter or amend the treatment of the Series 2022C-D Bonds for federal and state tax purposes or adversely affect the market value or marketability of the Series 2022C-D Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, from time to time regulatory actions are announced or proposed, and litigation is threatened or commenced, which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Series 2022C-D Bonds. It cannot be predicted whether any such regulatory action will be implemented, whether any particular litigation or judicial action will be commenced or, if commenced, how it will be resolved, or whether the Series 2022C-D Bonds or the market value or marketability thereof would be affected thereby. Prospective purchasers of the Series 2022C-D Bonds should consult their tax advisors regarding any future, pending or proposed legislation, regulatory initiatives, rulings or litigation as to which Bond Counsel expresses no opinion. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2022C-D Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation. See "TAX MATTERS."

REPORT OF THE AIRPORT CONSULTANT

In connection with the issuance of the Series 2022A-B Bonds, the Airport Consultant prepared the 2022 Report of the Airport Consultant. In connection with the issuance of the Series 2022C-D Bonds, the Airport Consultant has prepared the Letter Report of the Airport Consultant (together with the 2022 Report of the Airport Consultant, the "**Report of the Airport Consultant**") to determine if forecast Net Revenues plus Other Available Funds during the Forecast Period (as defined below) will be sufficient to meet the requirements of the General Bond Ordinance taking into account the issuance of the Series 2022C-D Bonds and additional bonds that may be issued by the City, for and on behalf of the Department, during the Forecast Period, and to update certain key assumptions used for airline traffic and financial forecasts presented in the Report of the Airport Consultant. The Report of the Airport Consultant is included herein as "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT" with the consent of the Airport Consultant.

The Report of the Airport Consultant presents certain airline traffic and financial forecasts for fiscal years ending December 31, 2022 through December 31, 2030 (the "**Forecast Period**"), as well as, among other things, an overview of the Airport; descriptions and/or analysis of airline traffic trends, factors affecting future airline traffic, airline traffic forecasts, Airport facilities and capital program, and financial framework and other economic factors, and the assumptions upon which such forecasts are based.

The Report of the Airport Consultant also incorporates certain elements of the funding plans for the 2018-2022 Capital Program and the 2023-2027 Capital Program, including the estimated debt service requirements with respect to the outstanding Senior Bonds (including the Series 2022C-D Bonds), Subordinate Bonds, Subordinate Obligations, Junior Lien Obligations and other additional Senior or

Subordinate Bonds that may be issued during the Forecast Period to fund projects in the 2023-2027 Capital Program.

The financial forecasts in the Report of the Airport Consultant are based on certain information and assumptions that were provided by, or reviewed and agreed to by, Department management, and in the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the forecasts. The debt service coverage forecasts in the Report of the Airport Consultant were not updated to reflect the sale, issuance or final terms of the Series 2022C-D Bonds.

No assurances can be given that the forecasts and expectations discussed in the Report of the Airport Consultant will be achieved or that the assumptions upon which the projections are based will be realized. The Report of the Airport Consultant is an integral part of this Official Statement and should be read in its entirety for an explanation of the assumptions and forecasts used therein. As of the date of this Official Statement, in the opinion of the Airport Consultant, the assumptions made in the Report of the Airport Consultant provide a reasonable basis for the projections therein.

See also "CAPITAL PROGRAM," "AVIATION ACTIVITY AND AIRLINES—Airline Information", "EFFECT OF COVID-19 ON THE AIRPORT," and "CERTAIN INVESTMENT CONSIDERATIONS—Report of the Airport Consultant; Actual Results May Differ from Projections and Assumptions," for a discussion of, among other things, the factors that may impact projections related to the Airport.

LITIGATION

The Airport System is involved in several claims and lawsuits arising in the ordinary course of business. Except as described in following section, "—Current Litigation and Controversy Relating to the Adams County IGA," the City believes that any liability assessed against the City as a result of such claims or lawsuits, which are not covered by insurance or accounted for in the Total Capital Program, would not materially adversely affect the financial condition or operations of the Airport System.

Current Litigation and Controversy Relating to the Adams County IGA

Current Litigation. The City and Adams County are parties to the Adams County IGA governing, among other things, Noise Standards in the vicinity of the Airport. See "FINANCIAL INFORMATION—Intergovernmental Agreement with Adams County." On November 15, 2017, the City received a Notice of Default letter from Adams County, the City of Aurora, the City of Commerce City, the City of Brighton and the City of Thornton (the cities in which the property affected by the noise violations asserted by Adams County is located) (collectively, the "**Claimants**") which (i) asserted that ARTSMAP is antiquated and does not meet the requirements of the Adams County IGA for installation and operation of a noise monitoring system capable of recording noise levels sufficient to determine whether the City is in compliance with the Noise Standards (as previously defined and described in "FINANCIAL INFORMATION – Intergovernmental Agreement with Adams County") established under the Adams County IGA (as previously defined and described in "FINANCIAL INFORMATION – Intergovernmental Agreement with Adams County") and (ii) demanded that the City install and operate a new system that complies with all requirements of the Adams County IGA and commit to the installation of such new system within the 30-day period. The City also received Notices of Violation from the Claimants dated November 15, 2017 that (i) asserted that calculations made by the Claimants using an alternative, non-ARTSMAP noise analysis system revealed a significant number of Class I violations and 141 Class II violations by the City in each of the years 2014 through 2016, and (ii) requested that the City determine and immediately implement procedures set forth in the Adams County IGA to remedy such violations. Adams County also asked the City to provide the City's noise monitoring data for years 2012 and 2013.

On July 2, 2018, the Board of County Commissioners of Adams County filed a civil complaint against the City, related to the Airport, in the Jefferson County District Court of Colorado (the "**Court**"), which was amended on July 20, 2018 to include the City of Aurora and the City of Brighton as plaintiffs (as amended, the "**Complaint**"). The Complaint sought, among other things, a declaration from the Court that the City is in breach of the Adams County IGA as a result of the City's continued use of a noise modeling system known as ARTSMAP, which the plaintiffs alleged is not sufficient to measure compliance with the Noise S Standards agreed to under the Adams County IGA. The Complaint also alleged between 93 and 108 Class II violations of Noise Standards in 2014 through 2016 that remained uncured in the succeeding calendar year and sought (i) a mandatory Court order requiring the City to implement reasonable, non-discriminatory rules and regulations concerning Airport operations to achieve and maintain compliance with the Noise Standards and (ii) if the Court does not make such order, an award of liquidated damages of $500,000 for each Class II violation that occurred during 2014, 2015 and 2016 that remained uncured in the succeeding calendar year. On June 19, 2020, the Court issued a ruling (the "**Ruling**") (i) finding, among other things, that the use of the ARTSMAP system does not comply with the Adams County IGA and (ii) awarding plaintiffs liquidated damages in the amount of $500,000 for each of the 67 uncured Class II violations for 2014, 2015, and 2016 for a total amount of $33.5 million plus interest. On September 1, 2020, the Court ruled on the method of calculating interest for each violation.

On October 16, 2020, the City filed a notice of appeal with the Colorado Court of Appeals (the "**Appellate Court**") appealing the Ruling and on March 3, 2022, the Appellate Court issued a decision affirming the Ruling and the method of calculating interest. On April 12, 2022, the City filed a Petition for Writ of Certiorari (the "**Petition**") with the Colorado Supreme Court asking the court to clarify certain rulings of the Appellate Court, including the method of calculating interest and accrual of cause of action related to breach of contract. On October 24, 2022, the Colorado Supreme Court granted the Petition only on the issue of whether the Appellate Court erred when it determined that a cause of action does not accrue for breach of contract until the extent of damages is fully ascertainable. The City's opening brief is due by December 5, 2022. The City is not able to predict the outcome of the Colorado Supreme Court review of this issue.

As of June 30, 2022, the outstanding amount due to plaintiffs for 67 uncured Class II violations for 2014, 2015, and 2016, including interest, was $55.5 million. To the extent the City ultimately is obligated to pay amounts ordered by the Court, the City currently expects to fund these payments from the Airport's Capital Fund.

Additional Notices of Violations. On August 27, 2020, the City received notices of violation from Adams County for the 2017, 2018 and 2019 calendar years alleging a total of 14 Class I and 44 Class II violations in 2017 through 2019. The notices state that such violations were determined using methods of calculation endorsed by the Court. The City has proposed an alternative system, and is negotiating with Adams County new methods and best technology for monitoring noise and calculating Noise Standards violations for the year 2017 and subsequent years, but no agreement has been reached by the parties and there are no assurances that such agreement will be reached. See "CERTAIN INVESTMENT CONSIDERATIONS—Monetary Liability for Noise Standards Violations Under the Adams County IGA."

As of June 30, 2022, the outstanding amount of damages that would be due to Adams County for 44 alleged Class II violations for 2017, 2018, and 2019, including interest, was $28.1 million. To the extent the City determines or ultimately is obligated to pay such amount, the City currently expects to fund it from the Airport unrestricted Capital Fund. There can be no assurances that Adams County will not send additional notices of potential noise violations for 2020 and beyond, or amend the notices described above, which could result in the City being required to pay additional amounts in liquidated damages. Further, even if the City and Adams County agree on a new method of determining the noise violations, there can be no assurance that it would result in reduced noise violations.

RATINGS

Moody's Investors Service, Inc., S&P Global Ratings and Fitch Ratings, Inc. have published ratings of "Aa3" (stable outlook), "AA-" (stable outlook) and "AA-" (stable outlook), respectively, with respect to the Series 2022C-D Bonds.

The City has furnished to these rating agencies the information contained in this Official Statement and certain other materials and information relating to the Series 2022C-D Bonds and the Airport System, including certain materials and information not included in this Official Statement. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions by the rating agencies.

A rating, including any related outlook with respect to potential changes in such rating, reflects only the view of the agency assigning such rating and is not a recommendation to buy, sell or hold the Series 2022C-D Bonds. An explanation of the procedure and methodology used by each rating agency and the significance of such ratings may be obtained from the rating agency furnishing the same. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn entirely by any of such rating agencies if, in the judgment of any of them, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings is likely to have an adverse effect on the market price of the Series 2022C-D Bonds.

UNDERWRITING

The Series 2022C-D Bonds are being purchased from the City by Barclays Capital Inc. (the "**Representative**"), as representative of the underwriters set forth on the cover page hereof (the "**Underwriters**"). The Series 2022C-D Bonds are being purchased at a price equal to $1,204,719,112.23, being the aggregate principal amount of the Series 2022C-D Bonds, plus net original issue premium of $40,663,208.80 and less an underwriting discount of $2,934,096.57. Pursuant to a Bond Purchase Agreement by and between the City, for and on behalf of the Department, and the Representative (the "**Bond Purchase Agreement**"), the Underwriters agree to accept delivery of and pay for all of the Series 2022C-D Bonds if any are delivered. The obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, financing, brokerage and other financial and non-financial services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, a variety of these services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans, credit support, leases, or derivative transactions) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City (including the Refunded Bonds that are being refunded with the proceeds of the Series 2022C-D Bonds).

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Citigroup Global Markets Inc., an underwriter of the Series 2022C-D Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "**Fidelity**"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

Morgan Stanley & Co. LLC, an underwriter of the Series 2022C-D Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2022C-D Bonds.

RELATIONSHIP OF CERTAIN PARTIES

Royal Bank of Canada ("**RBC**") is a counterparty for two Subordinate Hedge Facility Obligations with the City related to interest rate swap agreements. RBC will receive a swap termination payment from the bond proceeds. RBC is the parent company of RBC Capital Markets, LLC, one of the Underwriters.

EXPERTS

Frasca & Associates, LLC, is serving as Municipal Advisor to the City with respect to the Series 2022C-D Bonds. It is also a "Financial Consultant" as defined in the Senior Bond Ordinance. WJ Advisors LLC is serving as the Airport Consultant to the City with respect to the Series 2022C-D Bonds.

CONTINUING DISCLOSURE

In order to provide certain continuing disclosure with respect to the Series 2022C-D Bonds in accordance with Rule 15c2-12, the City will deliver a Continuing Disclosure Undertaking in respect of the Series 2022C-D Bonds in which it will agree to provide or cause to be provided annually to EMMA certain additional financial information and operating data concerning the Airport System and other obligated persons and to provide notice of certain specified events. See "APPENDIX F—FORM OF CONTINUING DISCLOSURE UNDERTAKING" for a description of the annual information and the events for which notice is to be provided and other terms of the Continuing Disclosure Undertaking.

LEGAL MATTERS

All legal matters incident to the validity and enforceability of the Series 2022C-D Bonds are subject to the approval of Hogan Lovells US LLP, Denver, Colorado, Bond Counsel. The substantially final form of the opinion of Bond Counsel with respect to the Series 2022C-D Bonds is appended to this Official Statement. Certain legal matters will be passed upon for the City by Kelly Tipper, Esq., Interim

City Attorney, and Ballard Spahr LLP, Denver, Colorado, Special Counsel to the City; and for the Underwriters by Sherman & Howard, LLC, Denver, Colorado.

TAX MATTERS

The following discussion is a summary of the opinions of Bond Counsel to the City that are to be rendered on the tax-exempt status of interest on the Series 2022C-D Bonds and of certain federal and state income tax considerations that may be relevant to prospective purchasers of such Series 2022C-D Bonds. This discussion is based upon existing law, including current provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), existing and proposed regulations under the Code, and current administrative rulings and court decisions, all of which are subject to change.

Upon issuance of the Series 2022C-D Bonds, Hogan Lovells US LLP, Bond Counsel to the City, will provide an opinion, substantially in the form appended to this Official Statement, to the effect that, under existing law, (1) interest on the Series 2022C Bonds is excluded from gross income for federal income tax purposes, and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts and estates and (2) interest on the Series 2022D Bonds is excluded from gross income for federal income tax purposes, except for any period during which such Series 2022D Bonds are held by a person who is a "substantial user" of the Airport System or a "related person," as those terms are used in Section 147(a) of the Code, but is an item of tax preference in calculating the federal alternative minimum tax liability of individuals, trust and estates. Bond Counsel to the City observes that, for tax years beginning after December 31, 2022, interest on the Series 2022C-D Bonds included in the adjusted financial statement income of certain corporations is not excluded from the computation of the federal corporate alternative minimum tax.

The foregoing opinion will assume compliance by the City with certain requirements of the Code that must be met subsequent to the issuance of the Series 2022C-D Bonds. The City will certify, represent and covenant to comply with such requirements. Failure to comply with such requirements could cause the interest on the Series 2022C-D Bonds to be included in gross income, or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Series 2022C-D Bonds.

The opinions of Bond Counsel to the City will also provide to the effect that, under existing law and to the extent interest on any Series 2022C-D Bonds is excluded from gross income for federal income tax purposes, such interest is not subject to income taxation by the State.

If a holder purchases a Tax-Exempt Bond for an amount that is greater than its stated redemption price at maturity, such holder will be considered to have purchased the Tax-Exempt Bond with "amortizable bond premium" equal in amount to such excess. A holder must amortize such premium using a constant yield method over the remaining terms of the Tax-Exempt Bond based on the holder's yield to maturity. As bond premium is amortized, the holder's tax basis in such Tax-Exempt Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or other disposition of the Tax-Exempt Bond prior to its maturity. No federal income tax deduction is allowed with respect to amortizable bond premium on a Tax-Exempt Bond. Purchasers of Series 2022C-D Bonds with amortizable bond premium should consult with their own tax advisors regarding the proper computation of amortizable bond premium and with respect to state and local tax consequences of owning such Series 2022C-D Bonds.

Other than the matters specifically referred to above, Bond Counsel to the City express, and will express, no opinions regarding the federal, State, local or other tax consequences of the purchase, ownership and disposition of Series 2022C-D Bonds. Prospective purchasers of the Series 2022C-D Bonds should be aware, however, that the Code contains numerous provisions under which receipt of interest on the Series 2022C-D Bonds may have adverse federal tax consequences for certain taxpayers. Such consequences include the following: (1) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2022C-D Bonds or, in the case of financial institutions, that portion of a holder's interest expense allocated to interest on the Series 2022C-D Bonds (subject to certain exceptions); (2) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Tax-Exempt Bonds; (3) interest on the Series 2022C-D Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code; (4) passive investment income, including interest on the Series 2022C-D Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and (5) Section 86 of the Code requires recipients of certain Social Security and certain railroad retirement benefits to take into account, in determining the inclusion of such benefits in gross income, receipts or accrual of interest on the Series 2022C-D Bonds.

The Internal Revenue Service (the "**Service**") has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Series 2022C-D Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the Series 2022C-D Bonds may not be permitted to participate in the audit process. Moreover, public awareness of an audit of the Series 2022C-D Bonds could adversely affect their value and liquidity.

Bond Counsel to the City will render their opinions as of the issue date, and will assume no obligation to update their opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinions of Bond Counsel to the City are not binding on the courts or the Service; rather, such opinions represent Bond Counsel's legal judgment based upon their review of existing law and upon the certifications, representations and covenants referenced above.

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Series 2022C-D Bonds, the exclusion of interest on the Series 2022C-D Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2022C-D Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

Prospective purchasers of Series 2022C-D Bonds should consult their own tax advisors as to the applicability and extent of federal, State, local or other tax consequences of the purchase, ownership and disposition of Series 2022C-D Bonds, including the potential consequences of any pending or proposed legislation, in light of their particular tax situation.

FINANCIAL STATEMENTS

The audited financial statements of the Airport System as of and for the years ended December 31, 2021 and 2020 are attached to this Official Statement as "APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2020 AND 2021." Moss Adams, LLP issued an opinion on the December 31, 2021 audited financial statements, presented on a comparative basis with 2020. BKD, LLP also issued an opinion on the

December 31, 2020 audited financial statements. Moss Adams, LLP, the Airport System independent external auditor, has not been engaged to perform and has not performed, since the date of its report included in "APPENDIX D" hereto, any procedures on the financial statements addressed in that report. Moss Adams, LLP also has not performed any procedures relating to this Official Statement. The consent of Moss Adams, LLP to the inclusion of "APPENDIX D" was not sought or obtained.

The unaudited quarterly financial report of the Airport System for the period ended June 30, 2022 and June 30, 2021 (the most recent quarterly unaudited financials available) are attached to this Official Statement as "APPENDIX E—UNAUDITED QUARTERLY FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021". The Department anticipates completing and filing the unaudited quarterly financial report of the Airport System for the period ended September 30, by November 30, 2022 on EMMA system of the MSRB available at http://emma.msrb.org.

The financial statements present financial information only with respect to the Airport System and do not present the financial position of the City and County of Denver, Colorado.

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MISCELLANEOUS

The cover page, inside cover pages, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in the entirety by reference to each such document, statute, report or other instrument.

So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

CITY AND COUNTY OF DENVER, COLORADO

By: /s/ Phillip A. Washington
Manager of Aviation/Chief Executive Officer

By: /s/ Margaret Danuser
Chief Financial Officer, as the Manager of Finance/*ex-officio* Treasurer

* * *

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APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

W J ADVISORS
AVIATION MANAGEMENT CONSULTANTS



Appendix A

Letter Report of the Airport Consultant

on the proposed issuance of

City and County of Denver, Colorado
Airport System Revenue Bonds
Series 2022CDE

October 27, 2022

Prepared for
The City and County of Denver, Colorado

Prepared by
WJ Advisors LLC
Denver, Colorado

www.wj-advisors.com

October 27, 2022

Mr. Phillip A. Washington
Chief Executive Officer
City and County of Denver Department of Aviation
Denver International Airport
Airport Office Building, Room 9860
8500 Peña Boulevard
Denver, Colorado 80249-6340

Re: Letter Report of the Airport Consultant on the Proposed Issuance of City and County of Denver, Colorado, for and on Behalf of Its Department of Aviation, Airport System Senior Revenue Bonds, Series 2022C, Non-Alternative Minimum Tax, Series 2022D, Alternative Minimum Tax, and Series 2022E, Non-Alternative Minimum Tax

Dear Mr. Washington:

WJ Advisors LLC is pleased to submit this Letter Report of the Airport Consultant (the 2022C-E Letter Report) related to the proposed issuance of Airport System Senior Revenue Bonds, Series 2022C, Non-Alternative Minimum Tax (AMT), Series 2022D, AMT, and Series 2022E, Non-AMT, (together, the proposed Series 2022C-E Bonds), by the City and County of Denver, Colorado (the City), for and on behalf of its Department of Aviation (the Department). The proposed Series 2022C-E Bonds are to be issued pursuant to the General Bond Ordinance (GBO), as amended. The City has also issued Subordinate Bonds pursuant to its General Subordinate Bond Ordinance (SBO) and Junior Lien Obligations pursuant to its General Junior Lien Bond Ordinance (JBO). In this 2022C-E Letter Report, the GBO, SBO, and JBO are collectively referred to as the Bond Ordinances. The City owns and, through the Department, operates Denver International Airport (the Airport).

This 2022C-E Letter Report was prepared to determine if forecast Net Revenues (Gross Revenues less Operation and Maintenance [O&M] Expenses) plus Other Available Funds from 2022[1] through 2030 (referred to in this 2022C-E Letter Report as the Forecast Period) will be sufficient to meet the requirements of the GBO taking into account the proposed Series 2022C-E Bonds and additional bonds that may be issued by the City during the Forecast Period (Future Planned Bonds). In connection with its authorization to issue the Series 2022A Bonds and Series 2022B Bonds (collectively, the Series 2022A-B Bonds), the City adopted a supplemental bond ordinance that also provided authorization for the issuance of the proposed Series 2022C-E Bonds.

[1] The City's Fiscal Year ends December 31.

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Capitalized terms in this 2022C-E Letter Report are used as defined in the Bond Ordinances, the Passenger Facility Charge (PFC) Ordinances, and the Airport use and lease agreements with the airlines, as amended (the Airline Agreement).

SCOPE OF THIS 2022C-E LETTER REPORT

This 2022C-E Letter Report summarizes our update of certain assumptions in the "Report of the Airport Consultant on the Proposed Issuance of City and County of Denver, Colorado, for and on Behalf of Its Department of Aviation, Airport System Senior Revenue Bonds, Series 2022A, Alternative Minimum Tax, and Series 2022B, Non-Alternative Minimum Tax", dated June 24, 2022 (the 2022A-B Report), which was used to forecast, among other things, the average airline cost per enplaned passenger (CPE) and debt service coverage during the Forecast Period.

Based on our review, it was determined that, for purposes of this 2022C-E Letter Report, the key assumptions and forecasts described in the 2022A-B Report are appropriate for the purposes of this 2022C-E Letter Report, except for the changes in the key assumptions summarized below.

- Actual rather than estimated debt service on the Series 2022A-B Bonds.
- Estimated debt service on the proposed Series 2022C-E Bonds assumed to fund certain projects in the Next Capital Program (as defined below), which bonds were considered Future Planned Bonds in the 2022A-B Report.
- Estimated amount of Future Planned Bond proceeds assumed to fund certain projects in the Next Capital Program (as defined below) and the remaining project costs of completion phase of the Great Hall Project[2] other than the proposed Series 2022C-E Bonds.
- Estimated amount of Airport cash assumed to be used to fund certain project costs in the Next Capital Program (as defined below).

This 2022C-E Letter Report and the 2022A-B Report should be read in their entirety for an understanding of the forecasts and the underlying assumptions discussed herein.

AIR TRAFFIC

The recovery in the number of enplaned passengers at the Airport from the negative effects of the COVID-19 pandemic was largely due to the recovery in domestic passenger travel, which has recovered faster than national recovery trends, as shown on Figure 1, because of Denver's

[2] The Department included only the 2023-2027 project costs of the $1.3 billion completion phase of the Great Hall Project in the Next Capital Program as reflected on Exhibit A-2. The financial forecast provides a complete picture as the remaining 2028 project costs of the completion phase not included in the Next Capital Program were included as reflected on Exhibit B.

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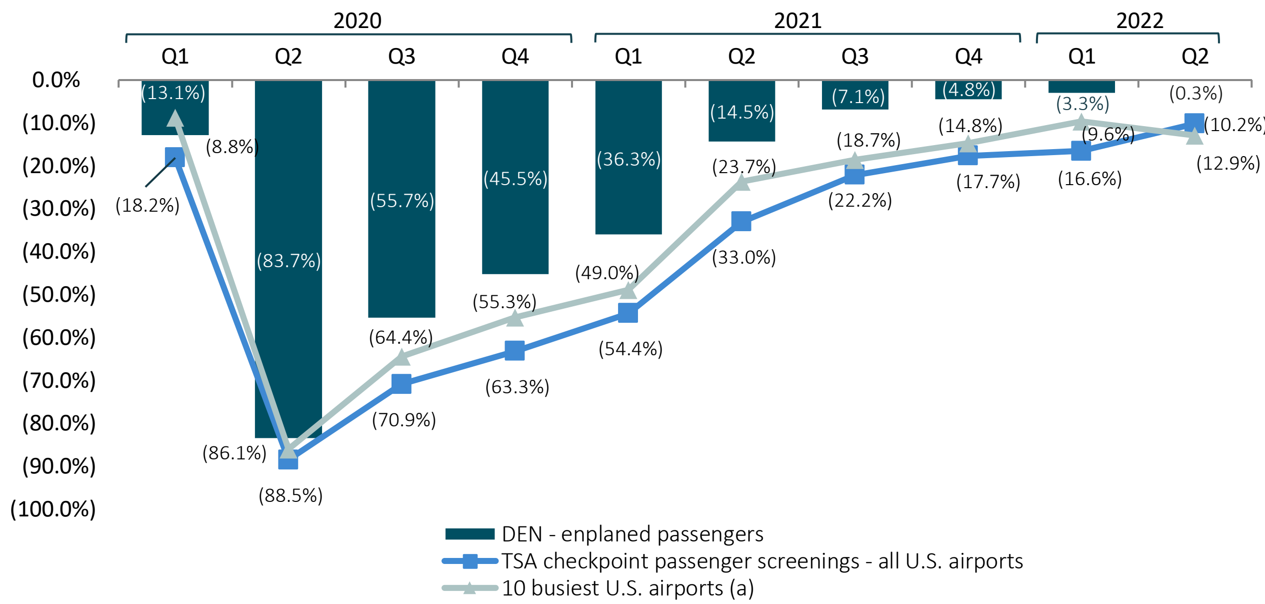
strong local economy and large domestic passenger base. In 2019, approximately 95.4% of enplaned passengers at the Airport were domestic passengers.

Figure 1

PERCENT DECREASES IN DENVER INTERNATIONAL AIRPORT ENPLANED PASSENGERS, TSA CHECKPOINT PASSENGER SCREENINGS, AND AVERAGE ENPLANED PASSENGERS AT THE 10 BUSIEST AIRPORTS IN THE UNITED STATES IN 2020, 2021, AND FIRST 6 MONTHS OF 2022

(Compared with the same time periods in 2019)



(a) 10 busiest U.S. airports excludes the Airport.
Sources: Department records, airport websites, TSA: https://www.tsa.gov/coronavirus/passenger-throughput.

Restrictions imposed by governments around the world, including, but not limited to, mandatory 14-day quarantine periods, proof of a negative COVID-19 test, and bans on nonessential travel, have more severely curtailed international travel than domestic travel.

Prior to the COVID-19 pandemic, the largest quarterly decrease in the number of enplaned passengers at the Airport was 21.8% in the fourth quarter of 2001, related to the terrorist attacks in the nation on September 11, 2001. Similarly, the largest quarterly decrease in the national number of enplaned passengers was 18.2% in the same quarter, also related to the September 11, 2001, attacks. These comparisons are presented solely to provide an understanding of the magnitude of the quarterly decreases in passenger traffic at the Airport resulting from the COVID-19 pandemic relative to prior major events.

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The number of enplaned passengers at the Airport decreased 51.1% in 2020 compared with the number of enplaned passengers in 2019. This was less of a decrease at the Airport than in the nation, which decreased 60.6% according to statistics compiled by the Federal Aviation Administration (FAA). In 2021, the number of enplaned passengers at the Airport increased 74.3% compared with 2020, which represented a 14.8% decrease in the number of enplaned passengers relative to 2019.

During the first nine months of 2022, the number of enplaned passengers at the Airport was 1.2% lower than during the same period of 2019, where certain months—March, April, and September 2022—were higher than the same months in 2019, and other months—May, June, and August 2022—experienced a slight decline in the number of enplaned passengers at the Airport due to, among other things, airline flight cancellations attributable to airline staffing issues. The year-to-date results in 2022 are consistent with the forecast number of enplaned passengers presented in the 2022A-B Report in 2022.

We used the 2022A-B Report forecast of enplaned passengers at the Airport in this 2022C-E Letter Report. In the 2022A-B Report, the forecast of enplaned passengers was based on the following major assumptions:

- The Airport will continue to be one of the busiest connecting hubs for United Airlines, Southwest Airlines, and Frontier Airlines, as measured by the number of connecting passengers on each airline.
- Competition among the airlines serving the Airport will ensure the continued availability of competitive airfares, with no significant increase in airline concentration.
- Airlines providing scheduled service at the Airport will continue to add seat capacity to meet increasing passenger demand at the Airport and industry trends reflecting increased aircraft load factors and the use of larger aircraft will continue.

On July 27, 2022, Spirit Airlines terminated its merger agreement with Frontier Airlines and on July 28, 2022, JetBlue Airways and Spirit Airlines announced that they had reached an agreement to merge, which will create the fifth largest airline in the United States. Spirit Airlines shareholders voted to approve the merger on October 19, 2022. The proposed merger will require regulatory approval from the Department of Transportation and the Department of Justice. The forecast of enplaned passengers presented in this 2022C-E Letter Report assumes that there would be no material change in the operations of the combined airlines at the Airport due to the JetBlue Airways and Spirit Airlines merger.

Airport Capital Program

The Department is in the process of completing its 2018-2022 Airport Capital Program (the Existing Capital Program), which is estimated by the Department to cost approximately $4.3 billion. According to the Department, approximately $2.9 billion (or approximately 67%) of the

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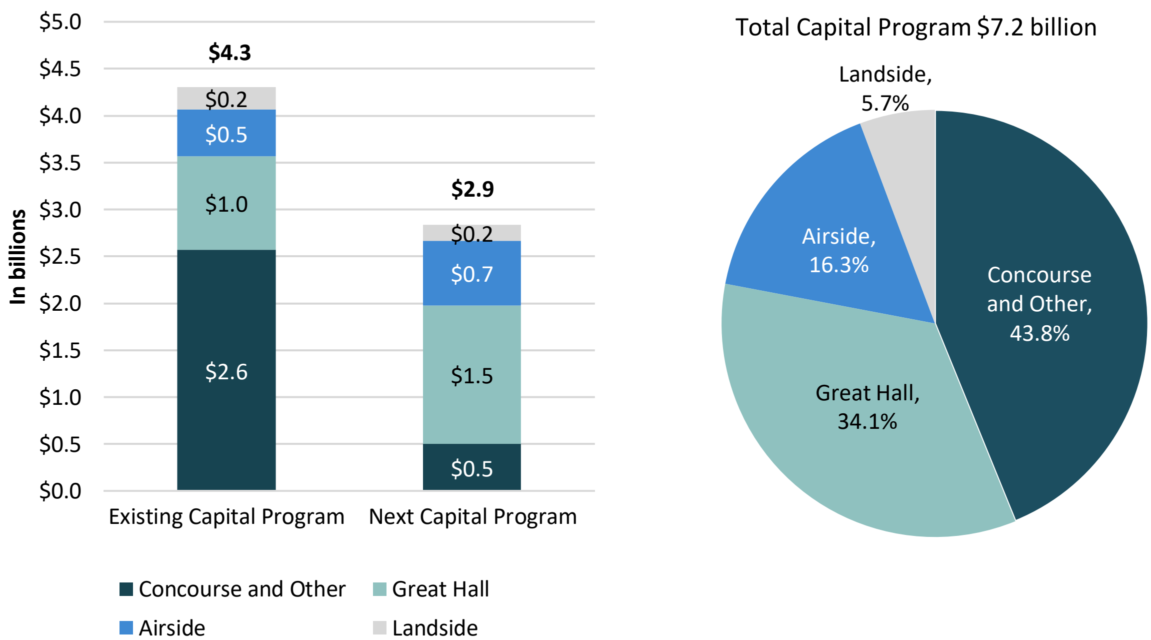
Existing Capital Program was completed through 2021, and all projects are expected to be completed by the end of 2024. The estimated remaining project costs of the Existing Capital Program have been fully funded with the net proceeds from the issuance of the Series 2022A-B bonds.

The Department has developed its next Airport Capital Program for 2023-2027 (the Next Capital Program), which is estimated to cost approximately $2.9 billion and be completed in 2029.

The Existing Capital Program and the Next Capital Program are collectively referred to in this 2022C-E Letter Report as the Total Capital Program. The Total Capital Program, including projects by major Airport area, is summarized on Figure 2.

Figure 2
AIRPORT TOTAL CAPITAL PROGRAM
Denver International Airport



Note: Totals may not add to 100% because of rounding.
Source: Department management records.

Exhibit A-2, provided at the end of this 2022C-E Letter Report along with other financial exhibits, presents the expected funding sources for the Next Capital Program. In the financial forecasts included in this 2022C-E Letter Report, certain changes in Gross Revenues, O&M Expenses, and Debt Service Requirements were assumed, associated with the financing, construction, and completion of the Total Capital Program.

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October 27, 2022

Major projects in the Next Capital Program (as measured by project cost) include:

- **Completion phase of the Great Hall Project.** This phase of the Great Hall Project includes new check-in areas, a new security checkpoint on the northeast side of the Great Hall, and other renovations, and is planned to be completed in 2028.
- **Rehabilitation of certain runways, taxiways, and apron areas; and the Seventh Runway study and design.** The rehabilitation projects are ongoing throughout the term of the Next Capital Program. The Seventh Runway study and design is expected to be completed in 2025.
- **Baggage renewal and replacement program.** This project includes modifications and improvements to the baggage handling system and is planned to be completed in 2027.

The Department currently estimates that the Next Capital Program would be funded from the following sources: (1) $280.0 million of Airport cash, (2) $616.3 million of federal grants-in-aid (other than Coronavirus Relief Grants), (3) $1.3 billion of net proceeds from the sale of Future Planned Bonds, which are assumed to be issued as Senior Bonds and Subordinate Bonds in the financial forecasts presented in this 2022C-E Letter Report, and (4) $700.0 million in net proceeds from the sale of the proposed Series 2022C-E Bonds.

PROPOSED SERIES 2022C-E BONDS

As presented in Exhibit B, the Department currently expects to issue the proposed Series 2022C-E Bonds to:

- Fund approximately $700 million of the Next Capital Program project costs.
- Refund approximately $84 million of principal of the 2019D Bonds (to satisfy mandatory tender November 15, 2022).
- Refund a portion of the principal of the 2012A-B Bonds for economic savings.
- Refund approximately $93 million of principal of the 2007G1-G2 Bonds and terminate associated swaps.
- Fund a debt service reserve account for the proposed Series 2022C-E Bonds within the Senior Bond Reserve Fund, capitalized interest, and pay certain costs related to the issuance of the proposed Series 2022C-E Bonds.

The proposed Series 2022C-E Bonds are assumed to be issued as Senior Bonds with a final maturity date of November 2053. An all-in true interest cost of approximately 5.25% on the proposed Series 2022C-E Bonds was provided by Frasca & Associates, the Department's Financial Advisor.

The Department may refund for economic savings certain other outstanding Senior Bonds, Subordinate Bonds, or Junior Lien Obligations or a combination of all three during the Forecast

Period with the net proceeds of the proposed Series 2022C-E Bonds or other series of bonds issued by the Department. The financial forecasts do not include any debt service savings from the refunding of bond principal associated with the 2022C-E Bonds and the refunding of other outstanding revenue bond principal.

FORECAST COST PER ENPLANED PASSENGER

As shown in Exhibit C, updated forecasts of passenger airline revenues in total and on a per enplaned passenger basis were prepared for this 2022C-E Letter Report. A comparison of the average forecast CPE presented in the 2022A-B Report and this 2022C-E Letter Report is provided below for each year of the Forecast Period:

Year	2022A-B Report	2022C-E Letter Report	Percent increase (decrease)
2022	$11.82	$11.78	(0.3%)
2023	$14.96	$13.34	(10.8%)
2024	$16.82	$15.35	(8.7%)
2025	$17.89	$16.93	(5.4%)
2026	$16.40	$16.65	1.5%
2027	$16.54	$16.75	1.3%
2028	$16.44	$16.94	3.0%
2029	$16.97	$17.30	1.9%
2030	$16.86	$16.77	(0.5%)

DEBT SERVICE COVERAGE

Under the Senior Bond Rate Maintenance Covenant of the GBO, debt service coverage is calculated by dividing Net Revenues and Other Available Funds by Debt Service Requirements on Senior Bonds for Senior Bond debt service coverage.

As shown on Figure 3, forecast debt service coverage in each year of the Forecast Period indicates compliance with the Rate Maintenance Covenant of 125% of the Debt Service Requirements on Senior Bonds, including the proposed Series 2022C-E Bonds and Future Planned Bonds that may be issued by the City during the Forecast Period. Figure 3 also shows debt service coverage for Senior Bonds, Subordinate Bonds, and Junior Lien Obligations for all outstanding bonds, proposed Series 2022C-E Bonds, and Future Planned Bonds.

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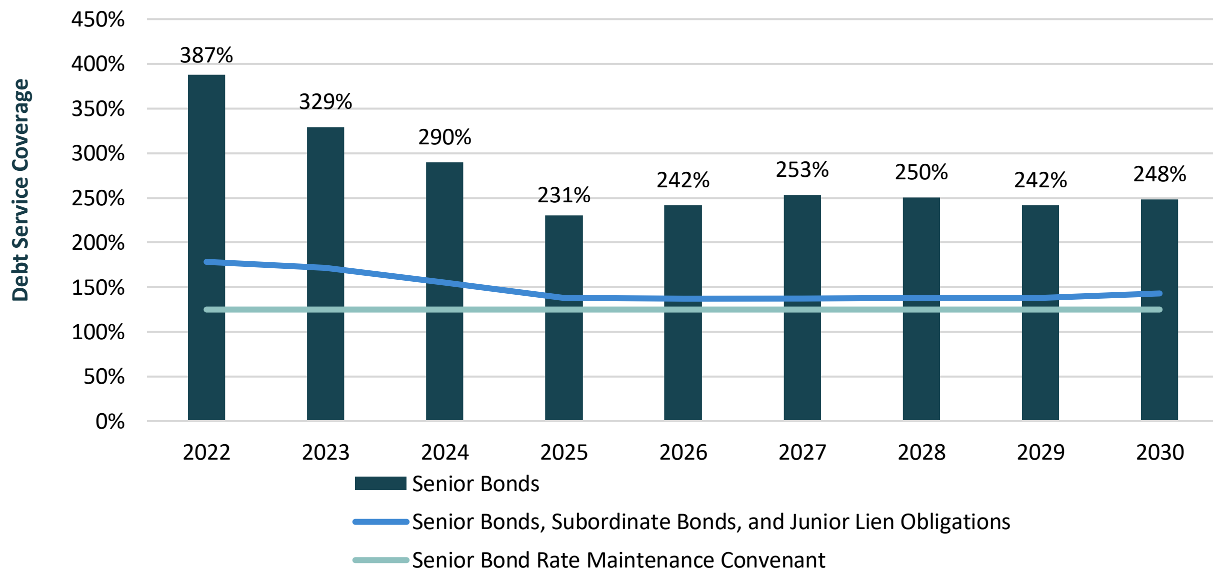
Figure 3
FORECAST DEBT SERVICE COVERAGE
Denver International Airport



Notes: Includes estimated Debt Service Requirements on the issuance of the proposed Series 2022C-E Bonds and Future Planned Bonds. Changes in debt service, including any savings from the City's refunding of bond principal associated with the 2022C-E Bonds and the potential refunding of any other outstanding revenue bond principal during the Forecast Period, are not included in the financial forecasts included in this 2022C-E Letter Report. Excludes CFC revenues, which are restricted in use and are also excluded from the forecast of Gross Revenues and debt service coverage presented in this 2022C-E Letter Report and the 2022A-B Report.

A comparison of debt service coverage for Senior Bonds, Subordinate Bonds, and Junior Lien Obligations in the 2022A-B Report and this 2022C-E Letter Report is provided below for each year of the Forecast Period:

Year	2022A-B Report	2022C-E Letter Report	Increase (decrease)
2022	179%	178%	(1%)
2023	155%	171%	16%
2024	147%	155%	8%
2025	133%	138%	5%
2026	135%	137%	2%
2027	136%	137%	1%
2028	138%	138%	0%
2029	136%	138%	2%
2030	139%	143%	4%

Mr. Philip A. Washington
October 27, 2022

ASSUMPTIONS UNDERLYING THE UPDATED FINANCIAL FORECASTS

The financial forecasts presented in this 2022C-E Letter Report are based on information and assumptions provided by, or reviewed with and agreed to by, Department management. The forecasts reflect management's expected course of action during the Forecast Period and, in management's judgment, present fairly the expected financial results of the Airport. Those key factors and assumptions that are significant to the updated forecasts are set forth in the 2022A-B Report and this 2022C-E Letter Report. The 2022A-B Report and this 2022C-E Letter Report should be read in their entirety for an understanding of the forecasts and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the updated forecasts.

However, any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences could be material. Neither WJ Advisors LLC nor any person acting on our behalf makes any warranty, express or implied, with respect to the information, assumptions, forecasts, opinions, or conclusions disclosed in this 2022C-E Letter Report. We have no responsibility to update this 2022C-E Letter Report for events and circumstances occurring after the date of this 2022C-E Letter Report.

We appreciate the opportunity to serve as the Department's Airport Consultant in connection with this proposed financing.

Respectfully submitted,

WJ Advisors LLC

WJ Advisors LLC

Exhibit A

ESTIMATED PROJECT COSTS AND SOURCES OF FUNDS (2018-2027)

Denver International Airport
(in thousands)

ESTIMATED PROJECT COSTS		
Existing Capital Program (2018-2022)	$	4,303,700
Next Capital Program (2023-2027)		2,943,400
Total estimated project costs	**$**	**7,247,100**
ESTIMATED SOURCES OF FUNDS		
Proposed Series 2022C-E Bonds	$	700,000
Prior Series 2022A-B Bonds		1,578,100
Airport cash		622,700
Federal grants-in-aid		740,400
Prior bonds		2,258,800
Future Planned Bonds		1,347,100
Total estimated sources of funds	**$**	**7,247,100**

Notes: Column may not add to totals shown because of rounding.
Project cost estimates include construction administration costs, contingencies, and architectural and engineering fees, as appropriate.
The costs shown above include escalation as provided by Department management.

Source: Department management records.

Exhibit A-1

ESTIMATED PROJECT COSTS AND SOURCES OF FUNDS
EXISTING CAPITAL PROGRAM (2018-2022)
Denver International Airport
(in thousands)

		Estimated sources of funds		Prior bonds	
	Estimated project cost	Airport cash	Federal grants-in-aid	Prior bonds (a)	Series 2022A-B Senior Bonds (b)
Airfield Area and Concourse Apron					
Runway rehabilitation program	$ 132,500	$ -	$ 82,400	$ 22,400	$ 27,700
Concourse Gate Expansion (Airfield and Apron)	116,400	50,000	2,900	4,300	59,200
Gate apron rehabilitation program	72,900	-	-	36,600	36,300
Concourse A ground loading facility expansion (Airfield and Apron)	34,400	-	-	15,000	19,400
Taxiway/apron rehabilitation program	22,700	-	17,200	5,300	200
Other	80,900	-	12,600	34,300	34,000
Total Airfield Area and Concourse Apron	**$ 459,800**	**$ 50,000**	**$ 115,100**	**$ 117,900**	**$ 176,800**
Baggage System and Automated Guideway Transit System (AGTS)					
Checked Bag Resolution Areas (CBRA)	$ 216,200	$ -	$ 3,700	$ 90,400	$ 122,100
Level 5.5 Project - modification in Landside Terminal Building	162,900	-	-	76,300	86,600
AGTS car replacement program	97,600	-	-	37,700	59,900
Total Baggage System and AGTS	**$ 476,700**	**$ -**	**$ 3,700**	**$ 204,400**	**$ 268,600**
Terminal Complex					
Concourse Gate Expansion	$ 1,359,000	$ -	$ 1,400	$ 1,025,700	$ 331,900
Great Hall Project	620,000	14,300	-	479,300	126,400
Concourse Renewal Program	504,200	123,800	-	166,100	214,300
Concourse A ground loading facility expansion	144,000	144,000	-	-	-
Conveyance replacement program	43,500	-	-	6,400	37,100
HVAC refrigerant replacement program	42,700	-	-	29,200	13,500
Other	233,700	7,400	3,900	73,400	149,000
Total Terminal Complex	**$ 2,947,100**	**$ 289,500**	**$ 5,300**	**$ 1,780,100**	**$ 872,200**
Roadways, Public Parking, and Ground Transportation					
Pena Boulevard project - terminal reconfiguration	$ 128,900	$ -	$ -	$ 45,800	$ 83,100
Public parking program - revenue control replacement	23,800	-	-	12,500	11,300
Concourse Gate Expansion (Roadways)	15,000	-	-	-	15,000
Other	71,700	-	-	31,400	40,300
Total Roadways, Public Parking, and Ground Transportation	**$ 239,400**	**$ -**	**$ -**	**$ 89,700**	**$ 149,700**
Other Airport Areas					
Technology infrastructure improvements	$ 74,400	$ 2,000	$ -	$ 11,600	$ 60,800
Other	106,300	1,100	-	55,100	50,100
Total Other Airport Areas	**$ 180,700**	**$ 3,100**	**$ -**	**$ 66,700**	**$ 110,900**
Total	**$ 4,303,700**	**$ 342,700**	**$ 124,100**	**$ 2,258,800**	**$ 1,578,100**

Notes: Columns may not add to totals shown because of rounding.
Project cost estimates include construction administration costs, contingencies, and architectural and engineering fees, as appropriate.
The costs shown above include escalation as provided by Department management.

Source: Department management records.

(a) Includes certain net proceeds of the Series 2013 and Series 2018 Subordinate Bonds.

(b) Reflects the prior Series 2022A-B Bonds that were issued to fund the remaining project costs of the Existing Capital Program as referenced in the 2022A-B Report.

Exhibit A-2

ESTIMATED PROJECT COSTS AND SOURCES OF FUNDS
NEXT CAPITAL PROGRAM (2023-2027)
Denver International Airport
(in thousands)

		Estimated sources of funds					
				Proposed Bonds	Future Planned Bonds		
	Estimated project cost	Airport cash	Federal grants-in-aid	Series 2022C-E Senior Bonds (a)	Senior Bonds	Subordinate Bonds	Total
Airfield Area and Concourse Apron							
De-icing capacity program	$ 151,500	$ -	$ 62,500	$ 70,000	$ -	$ 19,000	$ 19,000
Runway rehabilitation program	131,000	-	91,000	30,000	-	10,000	10,000
7th Runway project (study and design)	121,500	-	56,600	40,000	-	24,900	24,900
DS east expansion project	85,000	-	41,600	-	-	43,400	43,400
Gate apron rehabilitation program	58,600	-	-	-	-	58,600	58,600
Taxiway/apron rehabilitation program	41,900	-	29,300	-	-	12,600	12,600
Other	78,500	-	55,400	-	-	23,100	23,100
Total Airfield Area and Concourse Apron	**$ 668,000**	**$ -**	**$ 336,400**	**$ 140,000**	**$ -**	**$ 191,600**	**$ 191,600**
Baggage System and Automated Guideway Transit System (AGTS)							
Baggage renewal and replacement program	$ 289,100	$ -	$ 202,400	$ 70,000	$ -	$ 16,700	$ 16,700
Baggage recap	126,000	-	56,000	60,000	-	10,000	10,000
AGTS car replacement program	95,000	-	-	20,000	-	75,000	75,000
Total Baggage System and AGTS	**$ 510,100**	**$ -**	**$ 258,400**	**$ 150,000**	**$ -**	**$ 101,700**	**$ 101,700**
Terminal Complex							
Completion phase of the Great Hall Project	$ 1,050,000	$ 280,000	$ -	$ 200,000	$ 365,000	$ 205,000	$ 570,000
Concourse Renewal Program	148,400	-	-	70,000	78,400	-	78,400
Physical access control system replacement program	78,500	-	-	60,000	18,500	-	18,500
Passenger conveyance modernization program	62,200	-	-	20,000	42,200	-	42,200
Other	52,800	-	1,500	-	51,300	-	51,300
Total Terminal Complex	**$ 1,391,900**	**$ 280,000**	**$ 1,500**	**$ 350,000**	**$ 555,400**	**$ 205,000**	**$ 760,400**
Roadways, Public Parking, and Ground Transportation							
Annual landside pavement rehabilitation	$ 30,000	$ -	$ -	$ 10,000	$ -	$ 20,000	$ 20,000
Roadway program for remote parking area	30,000	-	-	-	-	30,000	30,000
Pena Boulevard project - terminal reconfiguration	18,500	-	13,000	-	-	5,500	5,500
Other	47,500	-	-	-	-	47,500	47,500
Total Roadways, Public Parking, and Ground Transportation	**$ 126,000**	**$ -**	**$ 13,000**	**$ 10,000**	**$ -**	**$ 103,000**	**$ 103,000**
Other Airport Areas							
Technology infrastructure improvements	$ 148,200	$ -	$ -	$ 50,000	$ -	$ 98,200	$ 98,200
DEN real estate	36,600	-	-	-	-	36,600	36,600
Other	62,600	-	7,000	-	-	55,600	55,600
Total Other Airport Areas	**$ 247,400**	**$ -**	**$ 7,000**	**$ 50,000**	**$ -**	**$ 190,400**	**$ 190,400**
Total	**$ 2,943,400**	**$ 280,000**	**$ 616,300**	**$ 700,000**	**$ 555,400**	**$ 791,700**	**$ 1,347,100**

Notes: Columns may not add to totals shown because of rounding.
Project cost estimates include construction administration costs, contingencies, and architectural and engineering fees, as appropriate.
The costs shown above include escalation as provided by Department management.
Source: Department management records.
(a) Reflects the portion of the proposed Series 2022C-E Bond proceeds that will be issued to fund the Next Capital Program as referenced in this 2022C-E Letter Report.

Exhibit B

ESTIMATED PLAN OF FINANCING--FUTURE PLANNED BONDS
Denver International Airport
Fiscal Years Ending December 31
(in thousands)

		Future Planned Bonds							
		Next Capital Program (b)							
	Proposed Series 2022C-E Bonds (a)	2023	2024	2025	2026	2027	Total	2028 (c)	Total Future Planned Bonds
TOTAL SENIOR AND SUBORDINATE BONDS									
Sources of funds									
Par amount	$ 838,500	$ 51,300	$ 489,500	$ 410,500	$ 314,600	$ 423,700	$ 1,689,600	$ 295,600	$ 1,985,200
Interest earnings	6,100	300	3,400	2,800	2,200	2,900	11,600	2,200	13,800
Original issue premium	-	-	-	-	-	-	-	-	-
Total sources of funds	**$ 844,600**	**$ 51,600**	**$ 492,900**	**$ 413,300**	**$ 316,800**	**$ 426,600**	**$ 1,701,200**	**$ 297,800**	**$ 1,999,000**
Uses of funds									
Project costs	$ 700,000	$ 40,500	$ 390,300	$ 322,800	$ 251,800	$ 341,700	$ 1,347,100	$ 258,000	$ 1,605,100
Bond reserve fund	44,000	4,500	38,200	34,200	22,200	27,500	126,600	17,700	144,300
Capitalized interest fund	88,100	5,700	57,000	50,100	38,000	51,000	201,800	17,700	219,500
Cost of issuance	12,500	900	7,400	6,200	4,800	6,400	25,700	4,400	30,100
Total uses of funds	**$ 844,600**	**$ 51,600**	**$ 492,900**	**$ 413,300**	**$ 316,800**	**$ 426,600**	**$ 1,701,200**	**$ 297,800**	**$ 1,999,000**
SENIOR BONDS									
Sources of funds									
Par amount	$ 838,500	$ 700	$ 137,700	$ -	$ 197,700	$ 346,700	$ 682,800	$ 295,600	$ 978,400
Interest earnings	6,100	-	1,000	-	1,400	2,400	4,800	2,200	7,000
Original issue premium	-	-	-	-	-	-	-	-	-
Total sources of funds	**$ 844,600**	**$ 700**	**$ 138,700**	**$ -**	**$ 199,100**	**$ 349,100**	**$ 687,600**	**$ 297,800**	**$ 985,400**
Uses of funds									
Project costs	$ 700,000	$ 500	$ 112,900	$ -	$ 160,500	$ 281,500	$ 555,400	$ 258,000	$ 813,400
Bond reserve fund	44,000	100	7,900	-	11,900	20,800	40,700	17,700	58,400
Capitalized interest fund	88,100	-	15,800	-	23,700	41,600	81,100	17,700	98,800
Cost of issuance	12,500	100	2,100	-	3,000	5,200	10,400	4,400	14,800
Total uses of funds	**$ 844,600**	**$ 700**	**$ 138,700**	**$ -**	**$ 199,100**	**$ 349,100**	**$ 687,600**	**$ 297,800**	**$ 985,400**
SUBORDINATE BONDS									
Sources of funds									
Par amount	$ -	$ 50,600	$ 351,800	$ 410,500	$ 116,900	$ 77,000	$ 1,006,800	$ -	$ 1,006,800
Interest earnings	-	300	2,400	2,800	800	500	6,800	-	6,800
Original issue premium	-	-	-	-	-	-	-	-	-
Total sources of funds	**$ -**	**$ 50,900**	**$ 354,200**	**$ 413,300**	**$ 117,700**	**$ 77,500**	**$ 1,013,600**	**$ -**	**$ 1,013,600**
Uses of funds									
Project costs	$ -	$ 40,000	$ 277,400	$ 322,800	$ 91,300	$ 60,200	$ 791,700	$ -	$ 791,700
Bond reserve fund	-	4,400	30,300	34,200	10,300	6,700	85,900	-	85,900
Capitalized interest fund	-	5,700	41,200	50,100	14,300	9,400	120,700	-	120,700
Cost of issuance	-	800	5,300	6,200	1,800	1,200	15,300	-	15,300
Total uses of funds	**$ -**	**$ 50,900**	**$ 354,200**	**$ 413,300**	**$ 117,700**	**$ 77,500**	**$ 1,013,600**	**$ -**	**$ 1,013,600**

Notes: Columns may not add to totals shown because of rounding.
The exhibit above presents project costs funded with bond proceeds only, and does not include Airport cash, federal grants-in-aid, or other sources.
(a) Reflects the issuance of the proposed Series 2022C-E Bonds, which are expected to fund project costs in the Next Capital Program as reflected on Exhibit A-2.
(b) Reflects the issuance of Future Planned Bonds, which are expected to fund the remaining project costs in the Next Capital Program as reflected on Exhibit A-2.
(c) Reflects the issuance of Future Planned Bonds, which are expected to fund the remaining project costs for the completion phase of the Great Hall Project.

Exhibit C

AIRLINE RENTALS, RATES, FEES, AND CHARGES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except rates)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Exhibit		Actual (a)			Estimate	Forecast							
	reference	**Calculation**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Airline Revenues														
Landing fees			$ 177,161	$ 135,343	$ 143,416	$ 174,400	$ 189,000	$ 223,000	$ 239,400	$ 225,000	$ 232,500	$ 240,300	$ 244,000	$ 255,100
Terminal Complex rentals			74,542	81,280	73,455	111,900	144,500	177,400	194,800	203,700	212,400	221,900	244,700	239,200
Nonpreferential, commuter, and common-use gates (b)			7,692	8,424	9,947	6,400	7,700	10,000	10,700	11,300	11,700	12,300	12,900	12,500
Ticket counter per use fees			438	135	295	400	500	500	600	600	600	700	800	800
Tenant finishes and equipment charges (c)			22,632	22,006	18,884	21,700	22,000	20,200	20,500	14,300	13,700	13,800	13,700	12,800
Conventional baggage system fees			20,052	30,163	22,034	24,900	25,200	28,200	55,500	71,500	73,100	74,900	77,800	76,900
International facility fees			14,753	4,992	11,198	18,000	18,900	20,000	21,100	22,300	23,600	24,900	26,300	27,800
AGTS charges			46,880	48,125	36,537	57,500	58,100	60,000	63,800	67,300	70,800	74,600	75,800	76,800
Baggage claim charges			15,347	16,179	13,963	19,000	21,700	26,500	28,900	30,400	31,700	33,100	36,400	35,600
Concourse ramp fees			13,350	15,829	7,694	17,300	22,300	33,400	36,800	41,700	42,200	44,100	44,900	39,800
Common use system equipment fees			319	344	436	700	500	500	400	500	500	600	600	600
Fueling system charges			10,839	12,533	12,861	17,100	17,700	19,000	18,600	15,300	15,200	15,300	15,100	14,500
Total rentals, rates, fees, and charges			**$ 404,007**	**$ 375,355**	**$ 350,721**	**$ 469,300**	**$ 528,100**	**$ 618,700**	**$ 691,100**	**$ 703,900**	**$ 728,000**	**$ 756,500**	**$ 793,000**	**$ 792,400**
Less: Deposit to Airline Revenue Credit Account	H		(40,000)	(28,375)	(40,000)	(50,000)	(40,000)	(40,000)	(34,600)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Net rentals, rates, fees, and charges			**$ 364,007**	**$ 346,979**	**$ 310,721**	**$ 419,300**	**$ 488,100**	**$ 578,700**	**$ 656,500**	**$ 663,900**	**$ 688,000**	**$ 716,500**	**$ 753,000**	**$ 752,400**
Less: cargo carrier landing and other fees (d)			(7,758)	(9,398)	(7,357)	(8,400)	(9,000)	(10,600)	(11,200)	(10,500)	(10,700)	(11,000)	(11,000)	(11,400)
Net passenger airline rentals, rates, fees & charges		[A]	**$ 356,249**	**$ 337,581**	**$ 303,363**	**$ 410,900**	**$ 479,100**	**$ 568,100**	**$ 645,300**	**$ 653,400**	**$ 677,300**	**$ 705,500**	**$ 742,000**	**$ 741,000**
Enplaned passengers (e)		[B]	34,513	16,874	29,418	34,876	35,922	37,000	38,110	39,253	40,431	41,644	42,893	44,180
Airline cost per enplaned passenger		[A/B]	**$ 10.33**	**$ 20.01**	**$ 10.31**	**$ 11.78**	**$ 13.34**	**$ 15.35**	**$ 16.93**	**$ 16.65**	**$ 16.75**	**$ 16.94**	**$ 17.30**	**$ 16.77**

(a) Source: Department management records based on audited financial results.
(b) Includes the Concourse A ground loading facility and airfield bus access fee.
(c) Includes debt service associated with the Concourse B regional jet facility and LED signage at certain ticket counters.
(d) Cargo carriers do not enplane passengers. As such, their landing fees are excluded from the calculation of the average airline cost per enplaned passenger.
(e) See Table 17 of the 2022A-B Report.

Exhibit C-1

LANDING FEES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except rates)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Exhibit	Actual (a)			Estimate	Forecast							
	reference	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operation and Maintenance Expenses	F	$ 106,937	$ 98,670	$ 99,169	$ 115,300	$ 129,000	$ 133,600	$ 138,200	$ 143,100	$ 148,100	$ 153,400	$ 158,800	$ 164,300
Operation and Maintenance Reserve Account replenishment (b)		1,168	-	-	200	4,400	3,400	1,100	1,200	1,200	1,300	1,300	1,300
Equipment and capital outlays		2,227	4,634	204	16,300	13,100	13,400	13,800	14,100	14,500	14,900	15,300	15,700
Debt Service Requirements	G-1	49,461	13,516	34,616	27,400	29,700	60,400	84,700	67,700	70,200	72,300	70,400	75,800
Variable rate bond fees (c)		47	31	4	100	100	100	100	100	100	100	100	100
Amortization charges		19,154	20,538	10,958	17,500	15,300	14,800	4,200	2,400	2,400	2,400	2,400	2,300
Other allocable costs		288	287	256	300	400	500	500	500	500	500	500	500
Capital cost of north site (50%)		1,156	1,082	1,126	1,100	1,100	1,000	1,100	400	300	400	300	300
Total Airfield Area Requirement		**$ 180,439**	**$ 138,758**	**$ 146,333**	**$ 178,200**	**$ 193,100**	**$ 227,200**	**$ 243,700**	**$ 229,500**	**$ 237,300**	**$ 245,300**	**$ 249,100**	**$ 260,300**
Less credits:													
Nonairline revenues	D	(180)	(346)	(542)	(500)	(500)	(500)	(500)	(500)	(700)	(700)	(700)	(700)
Nonsignatory airline landing fees (d)		(783)	(494)	(637)	(500)	(500)	(600)	(600)	(600)	(600)	(600)	(700)	(700)
Costs allocable to specific airline(s) for additional deicing equipment		-	-	-	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)
Interest income (e)		(3,099)	(3,069)	(2,256)	(1,900)	(2,200)	(2,300)	(2,400)	(2,600)	(2,700)	(2,900)	(3,000)	(3,100)
Airfield Bus Access Fee				(119)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Airfield Area Requirement		**$ 176,378**	**$ 134,849**	**$ 142,779**	**$ 173,900**	**$ 188,500**	**$ 222,400**	**$ 238,800**	**$ 224,400**	**$ 231,900**	**$ 239,700**	**$ 243,300**	**$ 254,400**
Signatory Airline landed weight (1,000 pound units) (f)		37,529	26,057	35,496	39,400	40,500	41,700	42,900	44,200	45,500	46,900	48,300	49,700
Signatory Airline landing fee rate		**$ 4.70**	**$ 5.18**	**$ 4.02**	**$ 4.41**	**$ 4.65**	**$ 5.33**	**$ 5.57**	**$ 5.08**	**$ 5.10**	**$ 5.11**	**$ 5.04**	**$ 5.12**
Total Signatory Airline landing fees		**$ 176,378**	**$ 134,849**	**$ 142,779**	**$ 173,900**	**$ 188,500**	**$ 222,400**	**$ 238,800**	**$ 224,400**	**$ 231,900**	**$ 239,700**	**$ 243,300**	**$ 254,400**

(a) Source: Department management records based on audited financial results.
(b) Allocated to Airport cost centers based on Operation and Maintenance Expenses.
(c) Source: Department management records; allocated to Airport cost centers based on debt service.
(d) Reflects the calculated Signatory Airline landing fee rate multiplied by a 20% premium and assessed to nonsignatory airline landed weight and includes airfield bus access fee revenues.
(e) Allocated to all Airport cost centers based on Debt Service Requirements on bonds issued to construct the Airport.
(f) The Signatory Airline portion of landed weight was estimated based on historical shares of traffic.

Exhibit C-2

TERMINAL COMPLEX RENTALS
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except rates)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Exhibit	Actual (a)			Estimate	Forecast							
	reference	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operation and Maintenance Expenses	F	$ 138,410	$ 130,378	$ 130,735	$ 178,300	$ 199,400	$ 206,100	$ 213,600	$ 221,100	$ 229,000	$ 237,000	$ 245,300	$ 253,800
Less: Loading bridge maintenance expenses (b)		(1,223)	(702)	(661)	(1,000)	(1,100)	(1,100)	(1,200)	(1,200)	(1,300)	(1,300)	(1,400)	(1,400)
Operation and Maintenance Reserve Account replenishment (c)		1,570	-	-	200	6,800	5,300	1,800	1,800	1,900	1,900	2,000	2,100
Equipment and capital outlays		499	416	90	1,900	2,900	3,000	3,100	3,200	3,300	3,300	3,400	3,500
Debt Service Requirements	G-1	42,356	56,695	29,061	57,800	96,000	149,800	197,400	202,300	211,900	221,700	257,500	237,100
Less: Great Hall LED signage (d)		-	-	(36)	(400)	(400)	(400)	(400)	(400)	-	-	-	-
Variable rate bond fees (e)		107	70	9	200	200	200	200	200	200	200	200	200
Amortization charges		9,189	14,651	14,550	14,700	15,000	23,000	23,100	30,800	32,600	36,300	42,900	42,800
Other allocable costs		689	687	612	800	900	1,100	1,200	1,100	1,100	1,200	1,300	1,300
Total Terminal Complex Requirement		**$ 191,597**	**$ 202,196**	**$ 174,360**	**$ 252,500**	**$ 319,700**	**$ 387,000**	**$ 438,800**	**$ 458,900**	**$ 478,700**	**$ 500,300**	**$ 551,200**	**$ 539,400**
Less credits: Interest income (f)		(7,413)	(7,342)	(5,398)	(4,600)	(5,300)	(5,500)	(5,700)	(6,100)	(6,500)	(6,900)	(7,100)	(7,500)
Net Terminal Complex Requirement		$ 184,184	$ 194,854	$ 168,962	$ 247,900	$ 314,400	$ 381,500	$ 433,100	$ 452,800	$ 472,200	$ 493,400	$ 544,100	$ 531,900
Rentable space (square feet) (g)		2,084	2,087	2,106	2,357	2,538	2,538	2,627	2,627	2,627	2,627	2,627	2,627
Average rental rate per square foot		**$ 88.39**	**$ 93.36**	**$ 80.24**	**$ 105.16**	**$ 123.87**	**$ 150.31**	**$ 164.86**	**$ 172.36**	**$ 179.74**	**$ 187.81**	**$ 207.11**	**$ 202.47**
Average rental rate per square foot at 100%		$ 88.39	$ 93.36	$ 80.24	$ 105.16	$ 123.87	$ 150.31	$ 164.86	$ 172.36	$ 179.74	$ 187.81	$ 207.11	$ 202.47
Differential rental rate per square foot at 65%		$ 57.45	$ 60.68	$ 52.16	$ 68.35	$ 80.52	$ 97.70	$ 107.16	$ 112.03	$ 116.83	$ 122.08	$ 134.62	$ 131.61
Total airline space rentals (h)		**$ 74,458**	**$ 79,544**	**$ 71,800**	**$ 111,900**	**$ 144,500**	**$ 177,400**	**$ 194,800**	**$ 203,700**	**$ 212,400**	**$ 221,900**	**$ 244,700**	**$ 239,200**

(a) Source: Department management records based on audited financial results.
(b) Allocated expenses recovered through tenant finish charges.
(c) Allocated to Airport cost centers based on Operation and Maintenance Expenses.
(d) Debt service recovered through tenant finish charges.
(e) Source: Department management records; allocated to Airport cost centers based on debt service.
(f) Allocated to all Airport cost centers based on Debt Service Requirements on bonds issued to construct the Airport.
(g) Includes changes in rentable space resulting from the Airport's Capital Program.
(h) Includes exclusive, preferential, and joint-use space rentals.

Exhibit D

REVENUES OTHER THAN
AIRLINE RENTALS, RATES, FEES, AND CHARGES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except percentages)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Actual (a)			Estimate	Forecast							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Terminal Complex concession revenues												
Food and beverage	$ 42,833	$ 20,192	$ 36,671	$ 44,000	$ 48,300	$ 51,100	$ 54,100	$ 57,200	$ 60,400	$ 63,900	$ 67,600	$ 71,500
Merchandise	18,000	11,320	18,194	21,800	23,100	24,400	25,800	27,300	28,800	30,500	32,200	34,100
Terminal services (b)	18,067	9,048	12,452	18,800	19,700	20,500	21,500	22,500	23,500	24,700	25,800	27,100
Total Terminal Complex concession revenues	**$ 78,901**	**$ 40,561**	**$ 67,318**	**$ 84,600**	**$ 91,100**	**$ 96,000**	**$ 101,400**	**$ 107,000**	**$ 112,700**	**$ 119,100**	**$ 125,600**	**$ 132,700**
Outside concession revenues												
Public automobile parking	$ 196,336	$ 82,164	$ 141,324	$ 181,000	$ 192,000	$ 202,700	$ 210,700	$ 218,900	$ 227,500	$ 236,500	$ 245,700	$ 255,400
Rental car privilege fees	67,405	32,350	63,258	66,800	69,000	71,200	73,600	76,000	78,500	81,100	83,700	86,500
Ground transportation	19,982	8,569	13,835	16,700	18,300	19,900	21,300	22,700	24,300	25,900	27,700	29,500
Total outside concession revenues	**$ 283,723**	**$ 123,083**	**$ 218,418**	**$ 264,500**	**$ 279,300**	**$ 293,800**	**$ 305,600**	**$ 317,600**	**$ 330,300**	**$ 343,500**	**$ 357,100**	**$ 371,400**
Other outside concessions and terminal revenues												
Employee parking fees	$ 7,166	$ 6,094	$ 6,485	$ 7,500	$ 7,700	$ 7,900	$ 8,100	$ 8,300	$ 8,500	$ 8,800	$ 9,000	$ 9,200
Rental car												
Service and storage rentals (c)	7,586	8,287	9,798	8,500	8,800	9,000	9,200	9,500	9,700	10,000	10,300	10,500
Additional building rentals (d)	5,357	5,357	5,357	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Other terminal space rentals	901	883	948	1,100	1,200	1,200	1,200	1,200	1,300	1,300	1,400	1,400
Hotel	62,088	24,481	43,674	63,000	70,000	73,000	75,000	78,000	81,000	84,000	87,000	90,000
Total other outside concessions and terminal revenues	**$ 83,098**	**$ 45,101**	**$ 66,261**	**$ 85,500**	**$ 93,100**	**$ 96,500**	**$ 98,900**	**$ 102,400**	**$ 105,900**	**$ 109,500**	**$ 113,100**	**$ 116,500**
Airfield												
General aviation landing fees	$ 121	$ 148	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 300	$ 300	$ 300	$ 300
Farming income	200	143	245	200	200	200	200	200	300	300	300	300
Oil and gas royalty revenues	(237)	(6)	(2)	-	-	-	-	-	-	-	-	-
Fuel flowage fees	95	61	99	100	100	100	100	100	100	100	100	100
Total Airfield	**$ 180**	**$ 346**	**$ 542**	**$ 500**	**$ 500**	**$ 500**	**$ 500**	**$ 500**	**$ 700**	**$ 700**	**$ 700**	**$ 700**
Building and ground rentals												
United support facilities	$ 2,101	$ 1,374	$ 823	$ 800	$ 800	$ 800	$ 800	$ 500	$ 500	$ 600	$ 600	$ 500
Other North Airline Support Area	3,674	2,927	3,641	6,000	6,500	6,400	6,700	5,700	5,900	6,100	6,300	6,400
Other South Airline Support Area	465	1,167	647	2,000	2,100	2,000	2,100	1,400	1,500	1,500	1,600	1,600
South Cargo Area	5,303	5,880	5,485	4,100	4,400	4,100	4,600	3,300	3,400	3,500	3,500	3,500
FedEx	582	582	582	600	600	600	600	600	600	600	600	600
General Aviation Area	531	492	508	500	500	500	500	500	500	500	500	500
Total building and ground rentals	**$ 12,656**	**$ 12,422**	**$ 11,687**	**$ 14,000**	**$ 14,900**	**$ 14,400**	**$ 15,300**	**$ 12,000**	**$ 12,400**	**$ 12,800**	**$ 13,100**	**$ 13,100**
Other revenues												
In-flight catering fees	$ 1,892	$ 461	$ 152	$ 2,000	$ 2,100	$ 2,200	$ 2,300	$ 2,500	$ 2,600	$ 2,800	$ 2,900	$ 3,100
Aviation fuel tax proceeds												
City	9,695	1,975	7,707	9,000	9,200	9,400	9,600	9,700	9,900	10,200	10,400	10,600
State	15,769	7,814	13,920	13,700	14,100	14,300	14,600	14,800	15,200	15,500	15,800	16,200
Miscellaneous revenues	10,122	10,292	11,970	10,000	10,200	10,400	10,600	10,700	11,000	11,200	11,500	11,700
Total other revenues	**$ 37,479**	**$ 20,542**	**$ 33,748**	**$ 34,700**	**$ 35,600**	**$ 36,300**	**$ 37,100**	**$ 37,700**	**$ 38,700**	**$ 39,700**	**$ 40,600**	**$ 41,600**
Total revenues other than airline rentals, rates, fees and charg	**$ 496,036**	**$ 242,055**	**$ 397,973**	**$ 483,800**	**$ 514,500**	**$ 537,500**	**$ 558,800**	**$ 577,200**	**$ 600,700**	**$ 625,300**	**$ 650,200**	**$ 676,000**
Annual rate of growth	6.7%	(51.2%)	64.4%	21.6%	6.3%	4.5%	4.0%	3.3%	4.1%	4.1%	4.0%	4.0%

(a) Source: Department management records based on audited financial results.
(b) Includes, but is not limited to, advertising, baggage cart, other in-terminal concession revenues, off-Airport parking concession privilege fee, and concessions joint marketing fund.
(c) Reflects ground and facility rentals and car-sharing revenues.
(d) Reflects additional rentals payable by the rental car companies to the City.

Exhibit E

PASSENGER FACILITY CHARGE REVENUES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except percentages)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Actual (a)			Estimate	Forecast							
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Enplaned passengers	34,513	16,874	29,418	34,880	35,920	37,000	38,110	39,250	40,430	41,640	42,890	44,180
Percent of eligible enplaned passengers (b)	87.4%	87.6%	87.9%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
Eligible enplaned passengers	30,178	14,788	25,854	30,690	31,610	32,560	33,540	34,540	35,580	36,640	37,740	38,880
Passenger Facility Charge (PFC) amount (c)	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50
Less: airline collection fee (d)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Net PFC amount	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39
Annual PFC revenues	$ 132,484	$ 64,921	$ 113,500	$ 134,700	$ 138,800	$ 142,900	$ 147,200	$ 151,600	$ 156,200	$ 160,800	$ 165,700	$ 170,700
Plus: interest income on PFC revenues	977	478	205	600	500	600	600	600	600	600	600	700
Total PFC revenues and interest income	**$ 133,460**	**$ 65,398**	**$ 113,705**	**$ 135,300**	**$ 139,300**	**$ 143,500**	**$ 147,800**	**$ 152,200**	**$ 156,800**	**$ 161,400**	**$ 166,300**	**$ 171,400**
Less: Reimbursement to the Capital fund (e)	(1,353)	(1,353)	(1,353)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(1,400)
Total PFCs available to pay debt service	**$ 132,107**	**$ 64,046**	**$ 112,353**	**$ 133,000**	**$ 137,000**	**$ 141,200**	**$ 145,500**	**$ 149,900**	**$ 154,500**	**$ 159,100**	**$ 164,000**	**$ 170,000**

(a) Source: Department management records based on audited financial results.
(b) Certain enplaned passengers are not eligible to pay a PFC, as provided under federal regulations.
(c) The City's authorization to collect the $4.50 PFC expires on the earlier of either October 1, 2031, or a total collection of $3.6 billion of PFC revenues.
(d) Under FAA regulations, airlines collecting a PFC are allowed to retain $0.11 per PFC collected as compensation for collecting and handling PFC revenues.
(e) Includes PFC revenue reimbursement to the Capital Fund for projects included in PFC application #3 and #4, approved by the FAA May 2, 2019 and August 5, 2021, respectively.

Exhibit F

OPERATION AND MAINTENANCE EXPENSES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except percentages)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Actual (a)			Estimate	Forecast							
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
BY OBJECT TYPE												
Personnel services	**$ 176,946**	**$ 177,289**	**$ 169,740**	**$ 212,000**	**$ 220,400**	**$ 229,300**	**$ 238,400**	**$ 248,000**	**$ 257,900**	**$ 268,200**	**$ 278,900**	**$ 290,100**
Contractual services (b)	**231,189**	**186,484**	**205,796**	**257,700**	**303,400**	**313,000**	**322,900**	**333,200**	**343,900**	**354,900**	**366,200**	**377,700**
Maintenance, supplies, and materials	**26,639**	**18,799**	**18,178**	**23,000**	**27,000**	**27,900**	**28,800**	**29,700**	**30,600**	**31,600**	**32,600**	**33,600**
Concession joint marketing fund	**1,953**	**390**	**147**	**3,000**	**3,600**	**3,700**	**3,800**	**3,900**	**4,000**	**4,200**	**4,300**	**4,400**
Total O&M Expenses without hotel direct expenses	**$ 436,726**	**$ 382,963**	**$ 393,862**	**$ 495,700**	**$ 554,400**	**$ 573,900**	**$ 593,900**	**$ 614,800**	**$ 636,400**	**$ 658,900**	**$ 682,000**	**$ 705,800**
Less: Hotel allocated expenses (c)	-	(116)	(128)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)
Total O&M Expenses without hotel direct or indirect expenses	**$ 436,726**	**$ 382,847**	**$ 393,735**	**$ 494,800**	**$ 553,500**	**$ 573,000**	**$ 593,000**	**$ 613,900**	**$ 635,500**	**$ 658,000**	**$ 681,100**	**$ 704,900**
Hotel (direct and indirect expenses) (d)	31,628	17,493	22,592	31,500	42,000	43,500	45,000	46,600	48,200	49,900	51,700	53,500
Total O&M Expenses	**$ 468,354**	**$ 400,341**	**$ 416,327**	**$ 526,300**	**$ 595,500**	**$ 616,500**	**$ 638,000**	**$ 660,500**	**$ 683,700**	**$ 707,900**	**$ 732,800**	**$ 758,400**
BY COST CENTER												
Airline Cost Centers												
Terminal Complex (e)	$ 138,410	$ 130,378	$ 130,735	$ 178,300	$ 199,400	$ 206,100	$ 213,600	$ 221,100	$ 229,000	$ 237,000	$ 245,300	$ 253,800
International Facilities	1,688	762	1,606	2,200	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100
Conventional Baggage Systems	2,391	4,593	3,263	3,000	3,300	3,500	3,600	3,700	3,800	4,000	4,100	4,300
Automated Guideway Transit System	34,017	33,588	33,507	38,900	43,500	45,100	46,600	48,300	50,000	51,700	53,600	55,400
Common Use System Equipment	308	350	444	500	600	600	600	600	600	700	700	700
Concourse Ramp Area	8,482	7,886	5,290	8,700	9,700	10,100	10,400	10,800	11,200	11,600	12,000	12,400
Concourse A Commuter Facility	347	329	334	400	500	500	500	500	500	600	600	600
Concourse A Ground Loading Facility	808	1,014	946	1,100	1,300	1,300	1,300	1,400	1,400	1,500	1,500	1,600
Concourse B Regional Jet Facility	809	883	821	900	1,000	1,100	1,100	1,200	1,200	1,200	1,300	1,300
Airfield Area	106,937	98,670	99,169	115,300	129,000	133,600	138,200	143,100	148,100	153,400	158,800	164,300
Fueling System	2,057	2,535	2,367	2,400	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400
Total Airline Cost Centers	**$ 296,254**	**$ 280,988**	**$ 278,483**	**$ 351,700**	**$ 393,400**	**$ 407,200**	**$ 421,400**	**$ 436,400**	**$ 451,700**	**$ 467,800**	**$ 484,200**	**$ 500,900**
Nonairline Cost Centers	**172,100**	**119,353**	**137,844**	**174,600**	**202,100**	**209,300**	**216,600**	**224,100**	**232,000**	**240,100**	**248,600**	**257,500**
Total O&M Expenses	**$ 468,354**	**$ 400,341**	**$ 416,327**	**$ 526,300**	**$ 595,500**	**$ 616,500**	**$ 638,000**	**$ 660,500**	**$ 683,700**	**$ 707,900**	**$ 732,800**	**$ 758,400**
Annual rate of growth	7.1%	(14.5%)	4.0%	26.4%	13.1%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

(a) Source: Department management records based on audited financial results.
(b) Excludes maintenance costs of the conventional baggage system.
(c) Includes Fund 81 Airport Operation and Maintenance Fund operating expenses for police, fire and Denver Health to be transferred to Fund 13 Hotel.
(d) Includes direct and indirect expenses including allocated expenses from the Operating Fund - Fund 81.
(e) Includes expenses associated with maintaining the loading bridges, which are recovered through tenant finish charges.

Exhibit G

DEBT SERVICE REQUIREMENTS
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except percentages)

	Actual (a)			Estimate	Forecast							
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
DEBT SERVICE REQUIREMENTS (b)												
Senior Bonds												
Existing Bonds	$ 291,484	$ 246,361	$ 220,671	$ 214,100	$ 251,800	$ 226,900	$ 244,600	$ 169,000	$ 163,500	$ 171,800	$ 172,200	$ 168,400
Prior Series 2022A-B Bonds (c)	-	-	-	-	900	67,700	96,000	135,400	135,700	135,600	124,100	118,300
Proposed Series 2022C-E Bonds (d)	-	-	-	-	-	-	44,000	59,600	59,600	59,600	59,600	59,600
Future Planned Bonds (e)	-	-	-	-	-	-	100	7,900	7,900	19,800	66,400	66,400
Total Senior Bonds	$ 291,484	$ 246,361	$ 220,671	$ 214,100	$ 252,700	$ 294,600	$ 384,700	$ 371,900	$ 366,700	$ 386,800	$ 422,300	$ 412,700
Subordinate Bonds												
Existing Bonds	$ 84,782	$ 136,027	$ 175,403	$ 241,100	$ 235,500	$ 258,400	$ 255,400	$ 258,800	$ 258,800	$ 258,900	$ 254,600	$ 242,400
Future Planned Bonds (d)	-	-	-	-	-	-	2,800	23,400	48,400	55,600	60,300	61,800
Total Subordinate Bonds	84,782	136,027	175,403	241,100	235,500	258,400	258,200	282,200	307,200	314,500	314,900	304,200
Existing Junior Lien Obligations (f)	1,858	967	2,771	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Debt Service Requirements for Rate Maintenance Covenant	**$ 378,123**	**$ 383,355**	**$ 398,844**	**$ 456,400**	**$ 489,400**	**$ 554,200**	**$ 644,100**	**$ 655,300**	**$ 675,100**	**$ 702,500**	**$ 738,400**	**$ 718,100**
To Calculate Airline Rentals, Rates, Fees and Charges												
Senior Bonds	$ 291,484	$ 246,361	$ 220,671	$ 214,100	$ 252,700	$ 294,600	$ 384,700	$ 371,900	$ 366,700	$ 386,800	$ 422,300	$ 412,700
Less: Designated Passenger Facility Charges (g)	(132,107)	(64,046)	(112,353)	(133,000)	(137,000)	(141,200)	(145,500)	(149,900)	(154,500)	(159,100)	(164,000)	(170,000)
Coronavirus Relief Grants used to pay debt service	-	(67,844)	(70,769)	(50,600)	(50,600)	(25,100)	-	-	-	-	-	-
	$ 159,376	$ 114,471	$ 37,549	$ 30,500	$ 65,100	$ 128,300	$ 239,200	$ 222,000	$ 212,200	$ 227,700	$ 258,300	$ 242,700
Subordinate Bonds, and Junior Lien Obligations	86,640	136,994	178,174	242,300	236,700	259,600	259,400	283,400	308,400	315,700	316,100	305,400
Less: Coronavirus Relief Grants used to pay debt service	-	(62,156)	(68,314)	(50,600)	(50,600)	(25,100)	-	-	-	-	-	-
Total for Airline Rentals, Rates, Fees, and Charges	**$ 246,016**	**$ 189,310**	**$ 147,408**	**$ 222,200**	**$ 251,200**	**$ 362,800**	**$ 498,600**	**$ 505,400**	**$ 520,600**	**$ 543,400**	**$ 574,400**	**$ 548,100**
To Determine Other Available Funds												
Senior Bonds	$ 291,484	$ 246,361	$ 220,671	$ 214,100	$ 252,700	$ 294,600	$ 384,700	$ 371,900	$ 366,700	$ 386,800	$ 422,300	$ 412,700
Less: Coronavirus Relief Grants to pay debt service	-	(67,844)	(70,769)	(50,600)	(50,600)	(25,100)	-	-	-	-	-	-
	$ 291,484	$ 178,517	$ 149,902	$ 163,500	$ 202,100	$ 269,500	$ 384,700	$ 371,900	$ 366,700	$ 386,800	$ 422,300	$ 412,700
Coverage on Senior Bonds	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Total--Other Available Funds	**$ 72,871**	**$ 44,629**	**$ 37,475**	**$ 40,900**	**$ 50,500**	**$ 67,400**	**$ 96,200**	**$ 93,000**	**$ 91,700**	**$ 96,700**	**$ 105,600**	**$ 103,200**

(a) Source: Department management records based on audited financial results. Sources for Debt Service Requirements: Financial Advisor.
(b) Net of capitalized interest. The amounts shown are also net of funds in escrow to economically defease certain Senior Bonds.
(c) Includes the Debt Service Requirements for funding the remaining project costs in the Existing Capital Program (2018-2022) as referenced in the 2022A-B Report.
(d) Includes Debt Service Requirements associated with funding the Next Capital Program (2023-2027) as referenced in this 2022C-E Letter Report.
(e) Includes Debt Service Requirements associated with funding the Next Capital Program (2023-2027) and the remaining project costs for the completion phase of the Great Hall Project as referenced in this 2022C-E Letter Report.
(f) Reflects Junior Lien Obligations of the hotel, including the furniture, fixture and equipment expenses.
(g) See Exhibit E and the 2022 A-B Report for additional information about PFC revenues.

Exhibit G-1

DEBT SERVICE USED TO CALCULATE AIRLINE RENTALS, RATES, FEES, AND CHARGES
Denver International Airport
Fiscal Years Ending December 31
(in thousands)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Actual (a)			Estimate	Forecast							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
DEBT SERVICE REQUIREMENTS (b)												
Total Debt Service Requirements	$378,123	$383,355	$398,844	$456,400	$489,400	$554,200	$644,100	$655,300	$675,100	$702,500	$738,400	$718,100
Less: Designated Passenger Facility Charges (b)	(132,107)	(64,046)	(112,353)	(133,000)	(137,000)	(141,200)	(145,500)	(149,900)	(154,500)	(159,100)	(164,000)	(170,000)
Coronavirus Relief Grants used to pay debt service	-	(130,000)	(139,083)	(101,200)	(101,200)	(50,200)	-	-	-	-	-	-
Total Debt Service Requirements allocated to Cost Centers	**$246,016**	**$189,310**	**$147,408**	**$222,200**	**$251,200**	**$362,800**	**$498,600**	**$505,400**	**$520,600**	**$543,400**	**$574,400**	**$548,100**
ALLOCATION TO COST CENTERS												
Airline Cost Centers												
Terminal Complex	$42,356	$56,695	$29,061	$57,800	$96,000	$149,800	$197,400	$202,300	$211,900	$221,700	$257,500	$237,100
Tenant Finishes and Equipment												
Landside Terminal	2,890	2,712	2,504	2,800	2,600	2,400	2,700	1,200	1,200	1,200	1,200	1,200
Concourse A	5,699	5,348	4,872	5,200	5,200	4,500	5,400	2,100	2,000	2,100	2,000	1,900
Concourse B	11,844	11,152	10,199	10,800	10,800	9,400	11,300	5,000	4,900	4,900	4,800	4,400
Concourse C	1,733	1,634	1,489	1,600	1,600	1,400	1,600	800	800	800	800	700
International Facilities	1,307	1,226	119	200	200	-	1,300	400	400	400	400	400
Loading Bridges	2,078	2,268	1,613	1,700	1,500	1,300	900	2,300	2,300	2,500	2,400	2,200
Common Use System Equipment	285	280	176	200	100	100	-	100	100	100	100	100
Concourse A Commuter Facility	178	162	149	200	200	200	200	200	200	200	100	100
Concourse B Regional Jet Facility	1,794	1,754	1,509	1,500	2,800	4,200	1,400	5,700	5,600	7,200	7,200	7,000
Baggage Claim	85	85	74	600	100	200	100	300	300	300	300	300
Conventional Baggage Systems	4,891	12,378	7,364	8,300	5,700	5,000	31,100	46,300	46,800	47,400	47,600	47,200
International Facilities	726	1,848	56	800	100	1,100	1,600	600	600	600	600	500
Automated Guideway Transit System	11,863	13,601	1,716	17,200	12,600	13,400	16,800	18,700	20,500	22,600	21,900	21,100
Airfield Area	49,461	13,516	34,616	27,400	29,700	60,400	84,700	67,700	70,200	72,300	70,400	75,800
Concourse Ramp Area	5,601	7,567	312	4,000	3,700	15,400	19,200	24,200	24,400	26,000	26,500	20,400
Fueling System	8,940	9,979	10,294	14,200	14,600	15,900	15,900	12,500	12,400	12,400	12,100	11,400
Total Airline Cost Centers	**$151,732**	**$142,206**	**$106,124**	**$154,500**	**$187,500**	**$284,700**	**$391,600**	**$390,400**	**$404,600**	**$422,700**	**$455,900**	**$431,800**
Nonairline cost centers	94,284	47,104	41,284	67,700	63,700	78,100	107,000	115,000	116,000	120,700	118,500	116,300
Total Debt Service Requirements allocated to Cost Centers	**$246,016**	**$189,310**	**$147,408**	**$222,200**	**$251,200**	**$362,800**	**$498,600**	**$505,400**	**$520,600**	**$543,400**	**$574,400**	**$548,100**

(a) Source: Department management records based on audited financial results.
(b) See Exhibit G.

Exhibit H

APPLICATION OF GROSS REVENUES
Denver International Airport
Fiscal Years Ending December 31
(in thousands)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Exhibit	Estimate	Forecast							
	reference	2022	2023	2024	2025	2026	2027	2028	2029	2030
Gross Revenues										
Airline rentals, rates, fees, and charges	C	$ 469,300	$ 528,100	$ 618,700	$ 691,100	$ 703,900	$ 728,000	$ 756,500	$ 793,000	$ 792,400
Other Airport revenues	D	483,800	514,500	537,500	558,800	577,200	600,700	625,300	650,200	676,000
Interest income		31,000	28,700	30,500	31,500	33,500	35,000	36,600	38,000	40,500
Designated Passenger Facility Charges	E	135,300	139,300	143,500	147,800	152,200	156,800	161,400	166,300	171,400
Total Gross Revenues		**$ 1,119,400**	**$ 1,210,600**	**$ 1,330,200**	**$ 1,429,200**	**$ 1,466,800**	**$ 1,520,500**	**$ 1,579,800**	**$ 1,647,500**	**$ 1,680,300**
Operation and Maintenance Expenses										
Operating expenses	F	$ 526,300	$ 595,500	$ 616,500	$ 638,000	$ 660,500	$ 683,700	$ 707,900	$ 732,800	$ 758,400
Variable rate bond fees		400	400	400	400	400	400	400	400	400
Total Operation and Maintenance Expenses		**$ 526,700**	**$ 595,900**	**$ 616,900**	**$ 638,400**	**$ 660,900**	**$ 684,100**	**$ 708,300**	**$ 733,200**	**$ 758,800**
Net Revenues		**$ 592,700**	**$ 614,700**	**$ 713,300**	**$ 790,800**	**$ 805,900**	**$ 836,400**	**$ 871,500**	**$ 914,300**	**$ 921,500**
Other Available Funds (coverage requirement)	G	40,900	50,500	67,400	96,200	93,000	91,700	96,700	105,600	103,200
Net Revenues plus Other Available Funds		**$ 633,600**	**$ 665,200**	**$ 780,700**	**$ 887,000**	**$ 898,900**	**$ 928,100**	**$ 968,200**	**$ 1,019,900**	**$ 1,024,700**
Less transfers to:										
Bond Fund										
Designated Passenger Facility Charges		$ 133,000	$ 137,000	$ 141,200	$ 145,500	$ 149,900	$ 154,500	$ 159,100	$ 164,000	$ 170,000
Other Gross Revenues		81,100	115,700	153,400	239,200	222,000	212,200	227,700	258,300	242,700
Reserve account for other outstanding bonds (a)		21,700	16,100	16,100	18,800	17,800	18,600	19,600	20,800	21,900
Coronavirus Relief Grants used to pay debt service		(101,200)	(101,200)	(50,200)	-	-	-	-	-	-
Subordinate Bond Fund										
Subordinate Bonds		241,100	235,500	258,400	258,200	282,200	307,200	314,500	314,900	304,200
Junior Lien Obligations Fund (b)										
Hotel		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Operation and Maintenance Reserve Account		600	18,800	15,200	5,300	5,400	5,600	5,800	6,100	6,200
Transfer to Capital Fund		**$ 256,100**	**$ 242,100**	**$ 245,400**	**$ 218,800**	**$ 220,400**	**$ 228,800**	**$ 240,300**	**$ 254,600**	**$ 278,500**
Adjustment for hotel performance (c)		-	-	-	-	-	-	-	-	-
Adjusted transfer to Capital Fund		**$ 256,100**	**$ 242,100**	**$ 245,400**	**$ 218,800**	**$ 220,400**	**$ 228,800**	**$ 240,300**	**$ 254,600**	**$ 278,500**
Allocation of Capital Fund transfer										
Rollover to Coverage Account	G	$ 40,900	$ 50,500	$ 67,400	$ 96,200	$ 93,000	$ 91,700	$ 96,700	$ 105,600	$ 103,200
Addition to Coverage Account (Airport portion)		-	-	1,600	28,800	-	-	500	8,900	-
Reimbursement to the Capital Fund (d)		2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	1,400
Equipment and Capital Outlay Account										
Other equipment purchases		20,600	21,100	21,700	22,300	22,900	23,500	24,100	24,700	25,400
Set-aside for installment purchase equipment payments (e)		3,100	100	-	-	-	-	-	-	-
Capital Improvement Account										
Remaining balance deposit for Airport Improvements (f)		139,200	128,100	112,400	34,600	62,200	71,300	76,700	73,100	108,500
Adjustment for hotel performance (c)		-	-	-	-	-	-	-	-	-
Airline Revenue Credit Account (f)		50,000	40,000	40,000	34,600	40,000	40,000	40,000	40,000	40,000
Total allocation of Capital Fund transfer		**$ 256,100**	**$ 242,100**	**$ 245,400**	**$ 218,800**	**$ 220,400**	**$ 228,800**	**$ 240,300**	**$ 254,600**	**$ 278,500**

(a) Reflects the deposit to be made in excess of actual debt service allocable to the Concourse B Regional Jet facility to be used to fund future debt service payments and also reflects net revenues associated with the hotel to redeem revenue bonds that were issued to fund hotel project costs.

(b) Reflects Junior Lien Obligations of the hotel for furniture, fixture and equipment expenses.

(c) Reflects an adjustment to remove any impact from the use of Capital Improvement Account deposits to pay debt service on the hotel from the Net Revenues available for revenue sharing.

(d) Includes PFC revenue reimbursement to the Capital Fund for projects included in PFC application #3 and #4, approved by the FAA May 2, 2019 and August 5, 2021, respectively.

(e) Equipment funded by certain companies described in the Report and leased by the City.

(f) Remaining net revenues are allocated 50% to Signatory Airlines and 50% to the Airport. The Airline Revenue Credit is capped at $40 million with the exception of the years 2022-2026 whereby the airlines receive an additional $10M if the total revenue share amount exceeds the 2019 amount of $183M; the remaining amount is deposited into the Capital Improvement Account.

Exhibit I

NET REVENUES AND DEBT SERVICE COVERAGE
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except coverage)

	Exhibit reference	Calculation	Estimate 2022	Forecast 2023	2024	2025	2026	2027	2028	2029	2030
GENERAL BOND ORDINANCE											
Net revenues and Other Available Funds											
Gross Revenues	H		$ 1,119,400	$ 1,210,600	$ 1,330,200	$ 1,429,200	$ 1,466,800	$ 1,520,500	$ 1,579,800	$ 1,647,500	$ 1,680,300
Operation and Maintenance Expenses	H		526,700	595,900	616,900	638,400	660,900	684,100	708,300	733,200	758,800
Net revenues			$ 592,700	$ 614,700	$ 713,300	$ 790,800	$ 805,900	$ 836,400	$ 871,500	$ 914,300	$ 921,500
Other Available Funds	H		40,900	50,500	67,400	96,200	93,000	91,700	96,700	105,600	103,200
Total net revenues and Other Available Funds		[A]	**$ 633,600**	**$ 665,200**	**$ 780,700**	**$ 887,000**	**$ 898,900**	**$ 928,100**	**$ 968,200**	**$ 1,019,900**	**$ 1,024,700**
Debt Service Requirements	G										
Senior Bonds			$ 214,100	$ 252,700	$ 294,600	$ 384,700	$ 371,900	$ 366,700	$ 386,800	$ 422,300	$ 412,700
Less: Coronavirus Relief Grants used to pay debt service			(50,583)	(50,583)	(25,084)	-	-	-	-	-	-
Total Senior Bonds		[B]	$ 163,517	$ 202,117	$ 269,516	$ 384,700	$ 371,900	$ 366,700	$ 386,800	$ 422,300	$ 412,700
Subordinate Bonds			241,100	235,500	258,400	258,200	282,200	307,200	314,500	314,900	304,200
Less: Coronavirus Relief Grants used to pay debt service			(50,583)	(50,583)	(25,084)	-	-	-	-	-	-
		[C]	$ 190,517	$ 184,917	$ 233,316	$ 258,200	$ 282,200	$ 307,200	$ 314,500	$ 314,900	$ 304,200
Junior Lien Obligations (a)			1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Debt Service Requirements		[D]	**$ 355,234**	**$ 388,234**	**$ 504,032**	**$ 644,100**	**$ 655,300**	**$ 675,100**	**$ 702,500**	**$ 738,400**	**$ 718,100**
Debt service coverage on Senior Bonds		[A/B]	**387%**	**329%**	**290%**	**231%**	**242%**	**253%**	**250%**	**242%**	**248%**
Debt service coverage on Senior Bonds, Subordinate Bonds, and Junior Lien Obligations		[A/D]	**178%**	**171%**	**155%**	**138%**	**137%**	**137%**	**138%**	**138%**	**143%**

(a) Reflects Junior Lien Obligations of the hotel, including the furniture, fixture and equipment expenses.

W J ADVISORS
AVIATION MANAGEMENT CONSULTANTS



Appendix A

Report of the Airport Consultant

on the proposed issuance of

City and County of Denver, Colorado
Airport System Revenue Bonds
Series 2022A and Series 2022B

June 24, 2022

Prepared for
The City and County of Denver, Colorado

Prepared by
WJ Advisors LLC
Denver, Colorado

www.wj-advisors.com

June 24, 2022

Mr. Phillip A. Washington
Chief Executive Officer
City and County of Denver Department of Aviation
Denver International Airport
Airport Office Building, Room 9860
8500 Peña Boulevard
Denver, Colorado 80249-6340

Re: Report of the Airport Consultant on the Proposed Issuance of City and County of Denver, Colorado, for and on Behalf of Its Department of Aviation, Airport System Senior Revenue Bonds, Series 2022A, Alternative Minimum Tax, and Series 2022B, Non-Alternative Minimum Tax

Dear Mr. Washington:

WJ Advisors LLC is pleased to submit this Report of the Airport Consultant (the 2022 Report) related to the proposed issuance of Airport System Senior Revenue Bonds, Series 2022A, Alternative Minimum Tax (AMT) and Series 2022B, Non-AMT, (together, the proposed Series 2022 Bonds), by the City and County of Denver, Colorado (the City), for and on behalf of its Department of Aviation (the Department). The proposed Series 2022 Bonds are to be issued pursuant to the General Bond Ordinance (GBO), as amended. The City has also issued Subordinate Bonds pursuant to its General Subordinate Bond Ordinance (SBO) and Junior Lien Obligations pursuant to its General Junior Lien Bond Ordinance (JBO). In this 2022 Report, the GBO, SBO, and JBO are collectively referred to as the Bond Ordinances. The City owns and, through the Department, operates Denver International Airport (the Airport). The Airport is the main asset of the Airport System.

This 2022 Report was prepared to determine if forecast Net Revenues (Gross Revenues less Operation and Maintenance [O&M] Expenses) plus Other Available Funds from 2022[1] through 2030 (referred to in this 2022 Report as the Forecast Period) will be sufficient to meet the requirements of the GBO taking into account the proposed Series 2022 Bonds and additional bonds that may be issued by the City during the Forecast Period (Future Planned Bonds). The City expects to adopt a supplemental bond ordinance providing for the issuance of the proposed Series 2022 Bonds following the date of this 2022 Report and prior to the issuance of the proposed Series 2022 Bonds.

In preparing this 2022 Report, we assisted Department management in identifying key factors affecting the future financial results of the Airport System and in formulating assumptions about those factors. The results and key findings of our analyses are summarized in this letter

[1] The City's Fiscal Year ends December 31.

Mr. Phillip A. Washington
June 24, 2022

and described more fully in the following three sections of this 2022 Report: “Airline Traffic and Economic Analyses,” “Airport Facilities and Capital Program,” and “Financial Performance.” This 2022 Report should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

Capitalized terms in this 2022 Report are used as defined in the Bond Ordinances, the Passenger Facility Charge (PFC) Ordinances, and the Airport use and lease agreements with the airlines, as amended (the Airline Agreement).

COVID-19 PANDEMIC

The worldwide outbreak of novel coronavirus SARS-CoV-2 (COVID-19) began in late 2019 and caused significant disruptions to domestic and international travel as well as the conduct of day-to-day business in the City of Denver, the rest of the United States (U.S. or nation), and the world. The Airport began experiencing travel disruptions due to the COVID-19 pandemic in March 2020, as follows:

- **Enplaned passengers in the United States**. The number of enplaned passengers in the United States decreased 60.6% in 2020 compared with 2019 according to statistics compiled by the Federal Aviation Administration (FAA). In 2021, the number of passengers screened by the Transportation Security Administration (TSA) at all U.S. airports (an indicator of passenger travel) was 31.2% lower than in 2019. During the first quarter of 2022, the number of passengers screened by the TSA was 16.6% lower than in 2019.
- **Enplaned passengers at the Airport**. The number of enplaned passengers at the Airport decreased 51.1% in 2020 compared with the number of enplaned passengers in 2019, which was less of a decrease at the Airport than in the nation (60.6%, as noted above). In 2021, the number of enplaned passengers at the Airport increased 74.3% compared with 2020, which represented a 14.8% decrease in the number of enplaned passengers relative to 2019. During the first three months of 2022, the number of enplaned passengers at the Airport was 3.3% lower than during the same period of 2019.

In March and April 2022, the Airport served more passengers than in the same months of 2019. The number of enplanements at the Airport in March were 3.2% higher and in April were 2.9% higher.

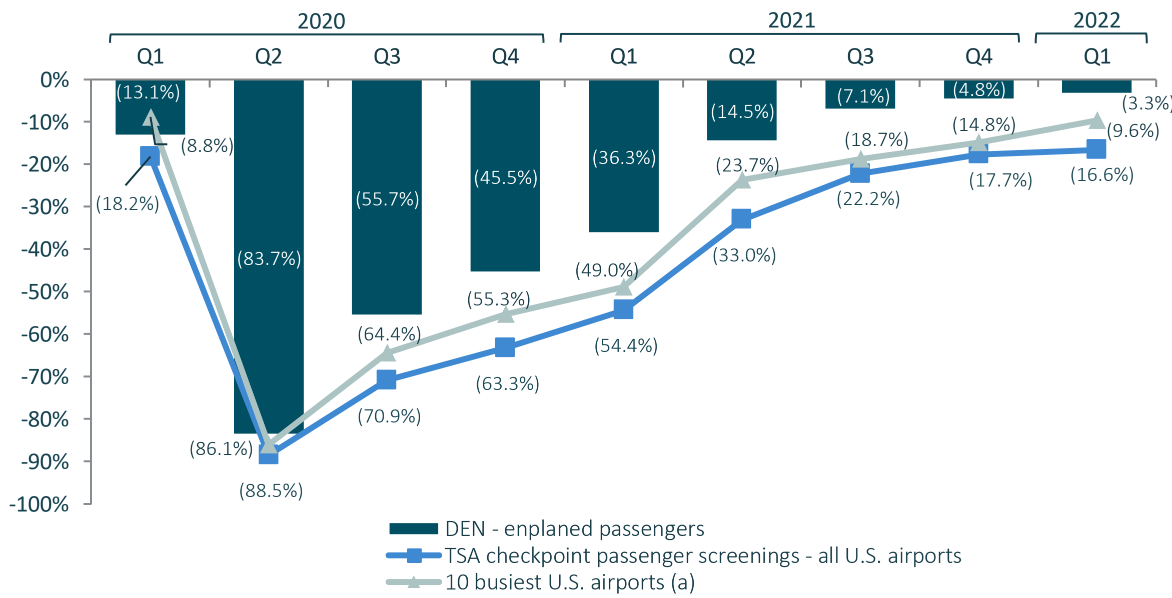
The recovery in the number of enplaned passengers at the Airport resulted from the recovery in domestic passenger travel, which has been faster than national recovery trends, as shown on Figure 1, because of Denver’s strong local economy and large domestic passenger base. In 2019, approximately 95.4% of enplaned passengers at the Airport were domestic passengers. Restrictions imposed by governments around the world, including, but not limited to, mandatory 14-day quarantine periods, proof of a negative COVID-19 test, or bans on nonessential travel, have more severely curtailed international travel than domestic travel.

Mr. Phillip A. Washington
June 24, 2022

Figure 1 shows the average quarterly decrease in the number of enplaned passengers at the 10 busiest U.S. airports[2] (excluding the Airport), which decreased 55.0% in 2020, 26.0% in 2021, and 9.6% through the first quarter of 2022 compared with the number of enplaned passengers in 2019.

Prior to the COVID-19 pandemic, the largest quarterly decrease in the number of enplaned passengers at the Airport was 21.8% in the fourth quarter of 2001, related to the terrorist attacks in the nation on September 11, 2001. Similarly, the largest quarterly decrease in the national number of enplaned passengers was 18.2% in the same quarter, also related to the September 11, 2001, attacks. These comparisons are presented solely to provide an understanding of the magnitude of the quarterly decreases in passenger traffic at the Airport resulting from the COVID-19 pandemic relative to prior major events.

Figure 1
PERCENT DECREASES IN DENVER INTERNATIONAL AIRPORT ENPLANED PASSENGERS, TSA CHECKPOINT PASSENGER SCREENINGS, AND AVERAGE ENPLANED PASSENGERS AT THE 10 BUSIEST AIRPORTS IN THE UNITED STATES IN 2020, 2021, AND FIRST QUARTER OF 2022
(Compared with the same time periods in 2019)



(a) 10 busiest U.S. airports excludes the Airport.
Sources: Department records, airport websites, TSA: https://www.tsa.gov/coronavirus/passenger-throughput.

[2] Ranking based on 2020 Airports Council International – North America Airport Traffic Summary, which includes Hartsfield-Jackson Atlanta, Dallas/Fort Worth, Chicago O'Hare, Los Angeles, Charlotte Douglas, Harry Reid (Las Vegas), Phoenix Sky Harbor, Orlando, Seattle-Tacoma, and Miami international airports.

Certain sources of Gross Revenues at the Airport are based on passenger activity levels, including, but not limited to, public parking revenues (originating passengers), rental car privilege fees (arriving passengers), and Terminal Complex concession revenues (enplaned passengers).[3] Financial data for 2021 reflected throughout this 2022 Report are unaudited and subject to change. Passenger activity-based non-airline revenues, including those mentioned above in this paragraph, as a percentage of Gross Revenues at the Airport, represented approximately 42.2% in 2019, 27.4% in 2020, and 38.7% in 2021.

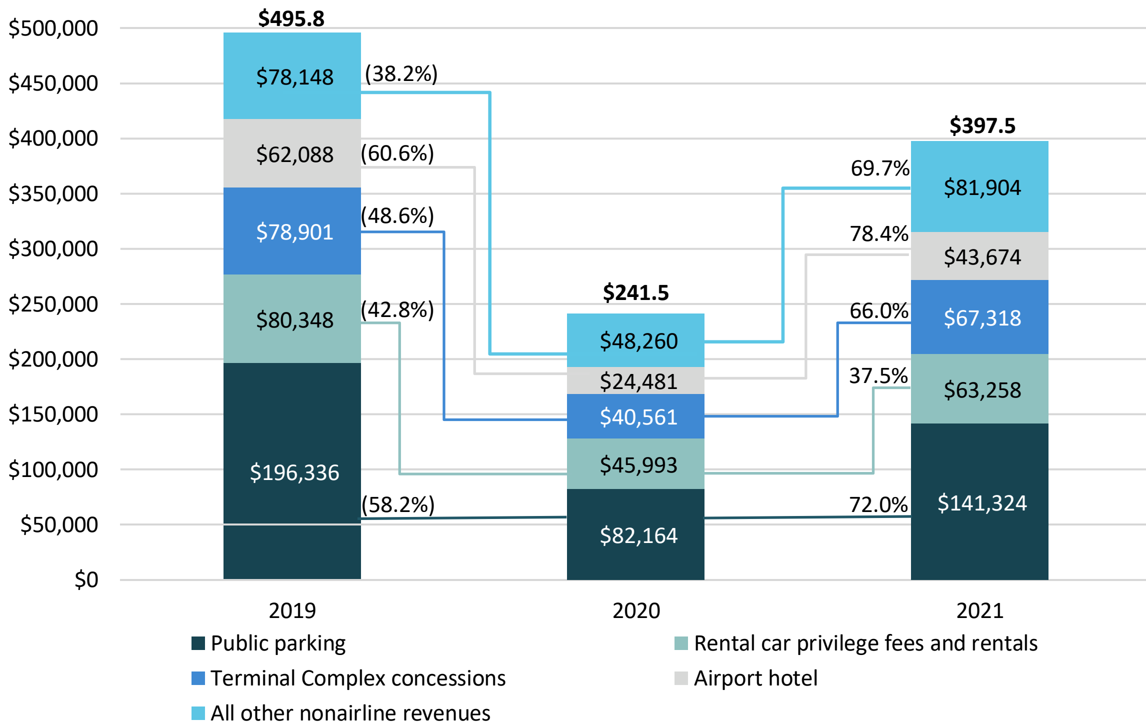
The largest source of Gross Revenues is airline rentals, rates, fees, and charges for use of the Terminal Complex, Airfield Area, and certain other aeronautical facilities at the Airport, which represented 37.8% of Gross Revenues in 2019, 51.9% in 2020, and 39.7% in 2021. In general, the contractual arrangements between the Department and the airlines serving the Airport mean that declines in passenger activity do not materially affect the level of revenues earned from the airlines on a year-to-year basis, mostly because of a provision in the contractual arrangements that allows the Department to adjust all airline revenues from budgeted to actual results.

Figure 2 presents the largest sources of nonairline revenues at the Airport based on financial results for 2021 compared with 2020 and 2019, along with the annual percent change by each source of nonairline revenue.

[3] Certain historical financial data in this 2022 Report may be different than the data presented in the preliminary official statements and the audited financial statements because of the way the year-end adjustment and settlement of airline rates and charges is presented in each respective document.

Mr. Phillip A. Washington
June 24, 2022

Figure 2
LARGEST SOURCES OF NONAIRLINE REVENUES
2019, 2020, and 2021
Denver International Airport



Source: Department management records.

FEDERAL COVID-19 RELIEF GRANTS

In 2020 and 2021, the federal government passed the following legislation which, among other things, includes the award of certain grants to the operators of all U.S. airports to assist with managing the negative financial effects of the COVID-19 pandemic: the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act); the Coronavirus Response and Relief Supplemental Appropriation Act (the CRRSA Act); and the American Rescue Plan Act (the ARP Act) (collectively, the Coronavirus Relief Grants).

In general, airport operators can use their awarded Coronavirus Relief Grants to pay for any purpose for which airport revenues can lawfully be used.[4] The Coronavirus Relief Grants must

[4] Certain portions of the CRRSA Act and the ARP Act grants were set-aside amounts to provide rent relief to airport concessionaires.

be used within four years from the date that the grant agreements between an airport operator and the FAA were executed.

Under the Bond Ordinances, federal grants (including the Coronavirus Relief Grants) are not included in the definition of Gross Revenues of the Airport. However, any grants irrevocably committed to the payment of Debt Service Requirements can be excluded from Debt Service Requirements in the calculation of debt service coverage pursuant to the Bond Ordinances.

The Department has irrevocably committed all of the Coronavirus Relief Grants it received from the FAA (excluding the CRRSA Act and ARP Act grant amounts to assist Airport concessionaires) to the payment of Debt Service Requirements of Senior Bonds and Subordinate Bonds. Such amounts have been excluded from Debt Service Requirements from 2020 through 2024 in the forecast of financial results presented in this 2022 Report as shown in Exhibit G and Exhibit I.

Table 1 summarizes the Coronavirus Relief Grants awarded to the Airport, amounts used, and amounts currently expected to be used by the Department to pay Debt Service Requirements. As of the date of this 2022 Report, the Department has received all but $10.0 million of the $522.0 million of Coronavirus Relief Grants awarded to the Airport.

Table 1
CORONAVIRUS RELIEF GRANTS AWARDED TO DENVER INTERNATIONAL AIRPORT
(in millions)

Source of Funds	Award	Amounts used to pay debt service through December 31, 2021	Remaining amounts *(a)*
CARES Act	$269.1	$269.1	$0.0
CRRSA Act	48.6	0.0	48.6
ARP Act	204.3	0.0	204.3
Total	$522.0	$269.1	$252.9

Note: Excludes $36.0 million of Coronavirus Relief Grants that the Airport was awarded to assist Airport concessionaires.
(a) The Department currently expects to use remaining Coronavirus Relief Grants in 2022, 2023, and 2024 to pay Debt Service Requirements (see Exhibit G and Exhibit I).
Source: Department records.

DEPARTMENT ACTIONS RELATED TO THE COVID-19 PANDEMIC

As the negative effects of the COVID-19 pandemic on airline travel at the Airport, in the nation, and internationally became more apparent, the Department quickly implemented a series of operational, commercial, and financial actions in order to prioritize strong cash liquidity and debt service coverage, and also assist airline and nonairline partners serving the Airport.

In 2020 and 2021, these actions included, but were not limited to, (1) reducing O&M Expenses; (2) implementing a deferral and repayment program for Signatory Airline payments of rentals, rates, fees, and charges; (3) implementing a concessionaire minimum annual guarantee (MAG) waiver program; and (4) irrevocably committing CARES Act grants for debt service payments.

- *Targeted O&M Expense reductions* included implementing a hiring freeze and furlough days for existing employees, reducing overtime, eliminating travel, suspending nonessential procurements and contracts, reviewing all contracts to reset service levels and costs, and implementing new approval procedures to closely monitor or reduce spend rates.
- *Policies on rent deferrals* were available for certain rentals, rates, fees, and charges incurred by passenger and cargo Signatory Airlines. In addition, the Department agreed to other short-term (2022-2026) measures including a potential 25% increase in the Airline Revenue Credit which has been reflected in the financial forecast presented in this 2022 Report.
- *COVID-19 Relief for Concessionaires and Rental Car Companies,* which primarily allowed concessionaires and rental car companies to temporarily pay a percentage fee of gross revenues to the Airport, and not pay the MAG that would have otherwise been due and payable to the Department.
- *CARES Act Funds* were irrevocably committed to the payment of debt service.

From 2022 through 2024, the Department expects to irrevocably commit remaining Coronavirus Relief Grants to pay debt service.

Please refer to the section of this 2022 Report titled "Financial Effects of the COVID-19 pandemic on the Airport" for additional information about the Department's actions related to the COVID-19 pandemic.

In the forecast of financial results presented in this 2022 Report, no additional airline or concessionaire and rental car program abatements or MAG waivers were assumed. Despite the reductions in nonairline revenues, the Department has not used, nor does it currently expect to use, any of its restricted cash reserves (e.g., Operation and Maintenance Reserve Account) to pay O&M Expenses or Debt Service Requirements in response to the COVID-19 pandemic.

AIRLINE TRAFFIC

Denver International Airport has an important role in the national, State, and local air transportation systems. From 2017 through 2019 (the three years prior to the COVID-19 pandemic) the Airport was the fifth busiest airport in the United States in terms of total passengers (enplaned plus deplaned), according to statistics compiled by Airports Council International – North America (ACI-NA). In 2019, a record high of 34.5 million passengers were enplaned at the Airport. In 2020, the Airport was the third busiest airport in the United States

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in terms of the total number of passengers, as airports with higher international traffic were affected more severely by the travel restrictions imposed as a result of the COVID-19 pandemic. In 2021, the Airport was the third busiest airport in the United States and in the world according to data compiled by ACI-NA, as the number of enplaned passengers at the Airport reached 29.4 million, which represented 85.2% of the previous enplaned passenger peak in 2019. The increase in ranking resulted, in part, from international border closures and the high proportion of domestic travel at the Airport compared to that at other large hub airports.

Over the 20-year period from 1999 through 2019, the average annual rate of growth in the number of enplaned passengers was 3.0% for the Airport and 1.9% for all airports in the nation, collectively. During this 20-year period, significant events occurred that resulted in large decreases and then increases in airline travel at the Airport, in the nation, and internationally, including, but not limited to, the events of September 11, 2001; the recession of 2008-2009; and the rise and fall of jet fuel costs. As discussed earlier, the largest single quarterly decrease in the number of enplaned passengers at the Airport prior to the COVID-19 pandemic resulted from the events of September 11, 2001 (21.8%), with the number of enplaned passengers nearly recovering to the numbers of enplaned passengers pre-September 11, 2001, approximately three years later.

The events of September 11, 2001, and the COVID-19 pandemic are very different, but the recovery in passenger traffic following September 11, 2001, and the near-term recovery in domestic traffic at the Airport and the nation following (1) the widespread availability of COVID-19 vaccines, (2) reduction in economic closures, and (3) other factors, reflect the importance of air travel for leisure and business purposes.

In 2021, the United Airlines Group (which includes United Airlines' mainline operation and the regional airlines operating as United Express), Southwest Airlines, and Frontier Airlines collectively enplaned 86.5% of the total number of enplaned passengers at the Airport, including 77.6% of originating passengers, and 99.4% of connecting passengers. Each airline has a different strategy for serving the Airport, which is influenced by broader national and international route strategies and focuses.

As measured by the number of enplaned passengers in 2021, the Airport was the busiest airport in the United Airlines Group route system, the second busiest airport in the Southwest Airlines route system, and the busiest airport in the Frontier Airlines route system. During the first nine months of 2022 (the most current scheduled flight information available), United Airlines Group and Southwest Airlines are both scheduled to increase the scheduled number of departing seats at the Airport compared with the numbers scheduled in the same months of 2019, as shown on Figure 3 below, reflecting the additional gates that will be in service and the important role the Airport plays in the route systems of each airline. In the first nine months of 2022, Frontier Airlines is scheduled to decrease its scheduled number of seats at the Airport compared with the numbers scheduled in the same months of 2019 because the airline temporarily has access to one less gate due to construction and has yet to resume service to 26

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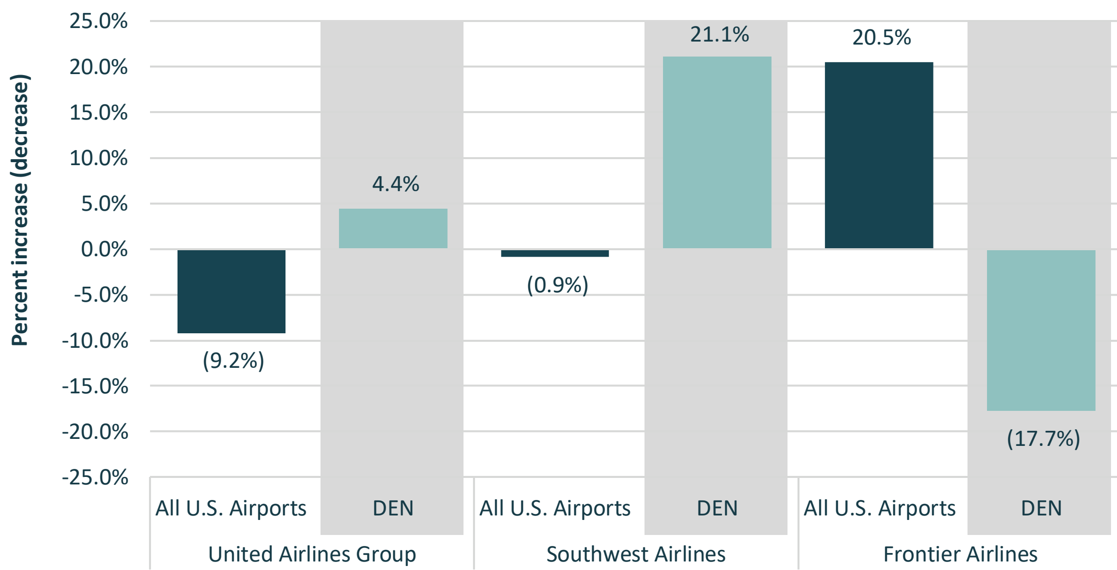
destinations that it previously served in 2019, representing a 17.7% decrease from the number of seats scheduled in the first nine months of 2019.

Figure 3
SCHEDULED CHANGE IN THE NUMBER OF DEPARTING SEATS
January-September 2022 compared with the same period in 2019



Source: Official Airline Guide (OAG), online database, scheduled departing seats through September 2022, accessed May 2022.

As described more fully in the section of this 2022 Report titled "Airline Traffic Forecasts", which should be read in its entirety, it was assumed that the total number of enplaned passengers at the Airport would reach 2019 levels by 2022, and continuing from 2023 through 2030 (the last year of the Forecast Period), the total number of enplaned passengers would increase at the 20-year (1999-2019) average annual rate of growth in the number of enplaned passengers at the Airport of 3.0% per year.

AIRPORT CAPITAL PROGRAM AND FUNDING SOURCES

The Department is in the process of completing its 2018-2022 Airport Capital Program (the Existing Capital Program), which is estimated by the Department to cost approximately $4.3 billion and all projects are expected to be completed by the end of 2024. According to the Department, approximately $2.9 billion of the Existing Capital Program was completed through the end of 2021.

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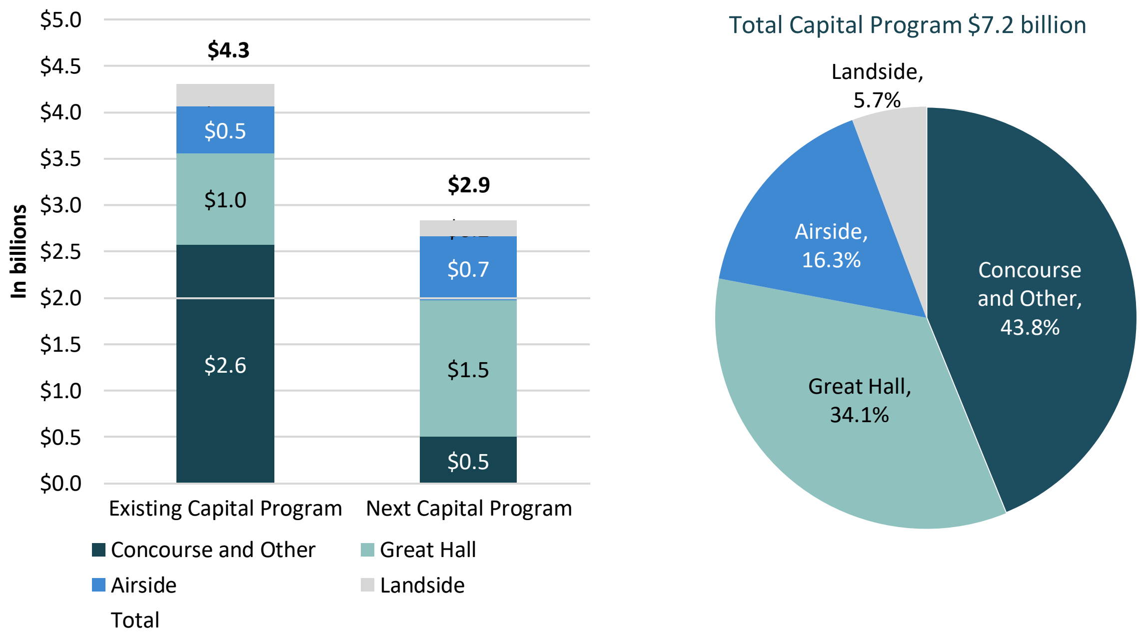
The Department has developed its next Airport Capital Program for 2023-2027 (the Next Capital Program), which is estimated to cost approximately $2.9 billion and all projects are planned to be completed by the end of 2029.

The Existing Capital Program and the Next Capital Program are collectively referred to as the Total Capital Program, and include projects in the following areas, as shown in Figure 4 and discussed below.

Figure 4
AIRPORT TOTAL CAPITAL PROGRAM
Denver International Airport



Note: Totals may not add to 100% because of rounding.
Source: Department management records.

Exhibit A, provided at the end of this 2022 Report along with other financial exhibits, presents the anticipated funding sources for the Total Capital Program. In the financial forecasts included in this 2022 Report, changes in Gross Revenues, O&M Expenses, and Debt Service Requirements were assumed, as discussed below, associated with the financing, construction, and completion of the Total Capital Program.

The three largest projects in the Existing Capital Program (as measured by project cost) are described below.

- **Concourse A, B, and C Gate Expansion (Concourse Gate Expansion).** The construction of 39 new gates at the Airport began in May 2018. All of the new gates are expected to be ready and available for their intended use by the end of 2022.

- **Great Hall Project.** This project consists of the redevelopment of the Landside Terminal Building (also referred to as the Great Hall). Phases 1 and 2 of the Great Hall Project began in July 2018, and include new check-in areas, automated self-bag-drop units, and a new security screening checkpoint on the northwest side of the Great Hall. Phase 1 opened in October 2021, and Phase 2 is scheduled to open in 2024.
- **Concourse Renewal Program.** This project includes renovations to aged facilities across the concourses which began in 2020 and are estimated to be completed in 2024.

The Department currently estimates that the $4.3 billion Existing Capital Program is to be funded from the following sources: (1) $352.0 million of Airport cash, (2) $124.1 million of federal grants (other than Coronavirus Relief Grants), (3) $2.3 billion of net proceeds from the sale of prior bonds, and (4) net proceeds of approximately $1.6 billion from the sale of the proposed Series 2022 Bonds (including the approximate $700 million of project costs funded with net proceeds from the 2021 interim note (2021 Interim Note Subordinate Obligation).

Major projects in the Next Capital Program (as measured by project cost) include:

- **Completion phase of the Great Hall Project.** This phase of the Great Hall Project includes new check-in areas, a new security checkpoint on the northeast side of the Great Hall, and other renovations, and is planned to be completed in 2028.
- **Rehabilitation of certain runways, taxiways, and apron areas; and the Seventh Runway study and design.** The rehabilitation projects are ongoing throughout the term of the Next Capital Program and the Seventh Runway study and design is expected to be completed in 2025.
- **Baggage renewal and replacement program.** This project includes modifications and improvements to the baggage handling system and is planned to be completed in 2027.

The Department currently estimates that the Next Capital Program is to cost $2.9 billion and be funded from the following sources: (1) $170.0 million of Airport cash, (2) $616.3 million of federal grants-in-aid (other than Coronavirus Relief Grants), (3) $2.2 billion of net proceeds from the sale of Future Planned Bonds, which are assumed to be issued as Senior Bonds and Subordinate Bonds in the financial forecasts presented in this 2022 Report.

PROPOSED SERIES 2022 BONDS

The net proceeds from the sale of the proposed Series 2022 Bonds are currently expected to be used to:

- Fund approximately $1.6 billion of Existing Capital Program project costs which includes the refunding of the 2021 Interim Note Subordinate Obligation that funded approximately $700 million of project costs.

- Fund a debt service reserve account for the proposed Series 2022 Bonds within the Senior Bond Reserve Fund, capitalized interest, and pay certain costs related to the issuance of the proposed Series 2022 Bonds.

The proposed Series 2022 Bonds are assumed to be issued as fixed-rate Senior Bonds with a final maturity date of December 2052. An all-in true interest cost of approximately 5.0% on the proposed Series 2022 Bonds was provided by Frasca & Associates, the Department's Financial Advisor.

The Department may refund certain outstanding Senior Bonds, Subordinate Bonds, or Junior Lien Obligations or a combination of all three during the Forecast Period with the net proceeds from the sale of the proposed Series 2022 Bonds or other series of bonds issued by the Department. The financial forecasts do not include any debt service savings from the refunding of other outstanding bond principal.

FINANCIAL PERFORMANCE

The Department accounts for Airport System financial performance according to generally accepted accounting principles for governmental entities and the requirements of the Bond Ordinances, as well as the PFC Ordinances. Department management's business and financial decisions are made in the context of its obligations under the Rate Maintenance Covenants of the Bond Ordinances, among other factors.

The Rate Maintenance Covenant of the GBO states that the Department agrees to fix, revise, charge, and collect rentals, rates, fees, and other charges for use of the Airport System so that, in each Fiscal Year, Gross Revenues together with any Other Available Funds will, at all times, be at least sufficient to provide for the payment of O&M Expenses for such Fiscal Year, and the larger of either:

- The total amount of required deposits to various Airport System funds and accounts during such Fiscal Year, or
- 125% of the aggregate Debt Service Requirements on Senior Bonds for such Fiscal Year.

In the GBO, "Other Available Funds" is defined to include the amount to be transferred in any Fiscal Year from the Coverage Account of the Capital Fund to the Revenue Fund, in an amount not to exceed the greater of 25% of the aggregate Debt Service Requirements on Senior Bonds.

The sections that follow provide an overview of recent Airport System financial results and the key assumptions used in determining if forecast Net Revenues and Other Available Funds will be sufficient to meet the Rate Maintenance Covenant of the GBO.

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Gross Revenues

The annual financial performance of the Airport is influenced by several factors, including the number of Airport gates and the space needed to support airline operations as well as the type and number of Airport concessions patronized by originating versus connecting passengers. While all passengers typically spend money at food and beverage concessions and retail shops, origin and destination (O&D) passengers also use other Airport facilities, including public parking and rental car facilities.

Under the GBO, Gross Revenues include rentals, rates, fees, and charges associated with the Airport, PFC revenues, and certain other revenues. Pursuant to the PFC Ordinances, all annual PFC revenues (and associated interest income) are included in Gross Revenues. Revenues from a rental car customer facility charge (CFC) that is collected by the on-Airport rental car companies and remitted to the Department are currently defined as Gross Revenues, but are not included in the forecast of Gross Revenues and debt service coverage presented in this 2022 Report because the use of CFC revenues is restricted.

For purposes of this 2022 Report, it was assumed that as any contracts or agreements associated with revenue sources discussed below expire during the Forecast Period, new contracts or agreements would be executed with similar terms and conditions.

Major sources of Airport Gross Revenues in 2019, 2020, and 2021 are shown on Figure 5 and are reflected in the financial exhibits presented at the end of this 2022 Report. Revenues from airline rentals, rates, fees, and charges accounted for 37.8% of total Gross Revenues at the Airport in 2019, 51.9% in 2020, and 39.7% in 2021; the second-largest source of Gross Revenues in each year was public parking, followed by Designated Passenger Facility Charges, rental car privilege fees and rentals, Terminal Complex concessions, and the Airport hotel.

Airline rentals, rates, fees, and charges are based on (1) the number of gates and square footage used or leased by the airlines as well as the number of enplaned passengers and the landed weight of the airlines serving the Airport and (2) the rentals, rates, fees, and charges in effect each year and calculated by the Department pursuant to the Airline Agreement.

The Airline Agreement between the Department and United Airlines and Southwest Airlines expires on February 28, 2035. The expiration date of the Airline Agreements for airlines other than United Airlines and Southwest Airlines (the Other Airlines) was December 31, 2021. The first of two one-year extensions to the Airline Agreements with the Other Airlines was approved and implemented by the Department with no material changes. Frontier Airlines has a separate 10-year agreement with the Department, which was executed in May 2022. The term of the new 10-year agreement with Frontier Airlines will end 10 years after the effective date of the completion of the Concourse A ground loading facility (GLF), which is expected in June 2024. Frontier Airlines will continue to operate their existing leased properties under the new 10-year agreement while the GLF is being constructed. It is Department management's expectation that the airline rate-making methodology in any new Airline Agreement with the Other Airlines will

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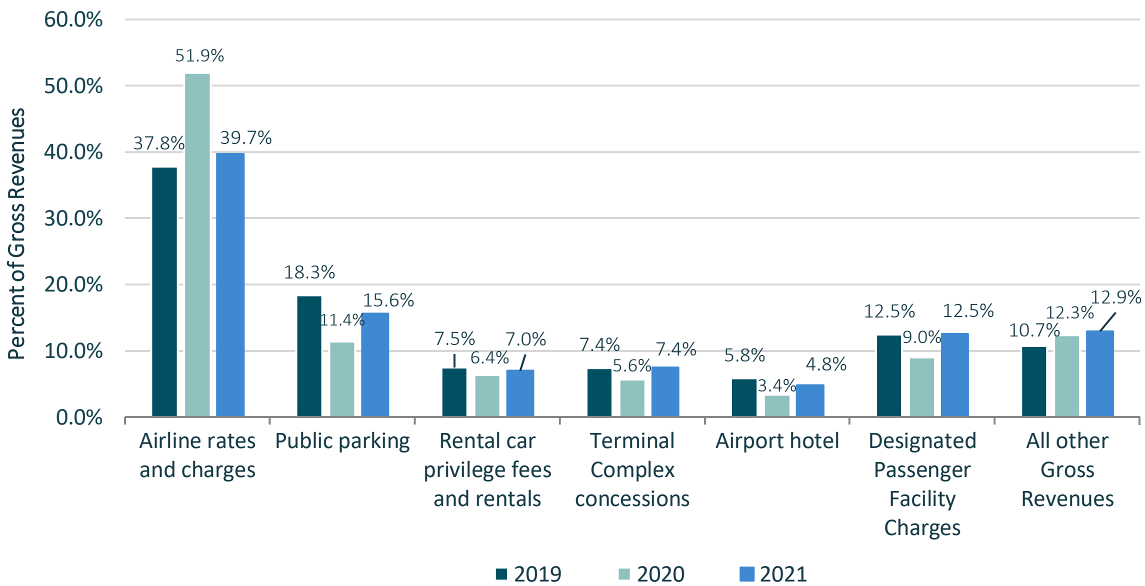
be substantially similar to that in the existing Airline Agreement during the remainder of the Forecast Period, either through an extension of the existing Airline Agreement or execution of a new Airline Agreement.

Figure 5
SOURCES OF GROSS REVENUES IN 2019, 2020, AND 2021
Denver International Airport



Note: Totals may not add to 100% because of rounding.
Source: Department management records.

Revenues from nonairline sources, such as public parking, rental car privilege fees and rentals, Terminal Complex concessions, and the Airport hotel, are a function of the business strategies and practices developed and implemented by Department management, the terms and conditions of agreements with the companies providing those services, and the number of passengers enplaned at the Airport each year.

In 2021, approximately 87.9% of enplaned passengers at the Airport paid a $4.50 PFC, which is collected by the airlines and remitted to the Department after certain collection expenses are deducted, as allowed by the FAA. In forecasting the PFC revenues included in this 2022 Report, it was assumed that PFC revenues would be used to pay PFC-eligible Debt Service Requirements under existing PFC authorizations from the FAA, and to pay PFC-eligible Debt Service Requirements and PFC-eligible project costs under future PFC authorizations from the FAA.

All other Gross Revenues shown on Figure 5 include City and State aviation fuel tax revenues, building and ground rentals, and other revenues.

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Airport Gross Revenues totaled $906.3 million in 2021 and are estimated to increase by approximately 23.7% in 2022 to $1.1 billion. Airport Gross Revenues are forecast to increase an average of approximately 4.1% per year, from $1.3 billion in 2023 to $1.7 billion in 2030.

Operation and Maintenance Expenses

Major categories of O&M Expenses in 2019, 2020, and 2021 are shown on Figure 6. The City owns, operates, and maintains a majority of Airport facilities, equipment, and systems.

Personnel services, professional services, and repairs and maintenance accounted for 66.9% in 2019, 68.8% in 2020, and 67.4% in 2021 of O&M Expenses. Personnel services are the Department's largest expenditure and include salaries, wages, and benefits for the Department and City services including but not limited to police, fire, and other indirect costs. Professional services are the Department's next largest expenditure and include expenses associated with janitorial, conveyances, snow removal, and other third-party services. Repair and maintenance is the Department's third largest category and includes renewal and replacement costs that could not be capitalized. The Airport hotel accounted for 6.8% of O&M Expenses in 2019, 4.4% in 2020, and 5.4% in 2021. The remaining 26.4% in 2019, 26.8% in 2020, and 27.1% in 2021 of O&M Expenses were for the payment of other expenses such as utilities.

O&M Expenses, including those for the Airport hotel, totaled $468.4 million in 2019, $400.3 million in 2020, and $416.3 million in 2021, and are estimated to total $526.3 million in 2022. O&M Expenses are forecast to increase an average of approximately 4.0% per year during the Forecast Period, from $570.2 million in 2023 to $750.1 million in 2030.

Department management has established a targeted average annual rate of growth for O&M Expenses of approximately 4.0%, which includes O&M Expenses for existing facilities (excluding the Airport hotel), and additional O&M Expenses associated with projects in the Total Capital Program.

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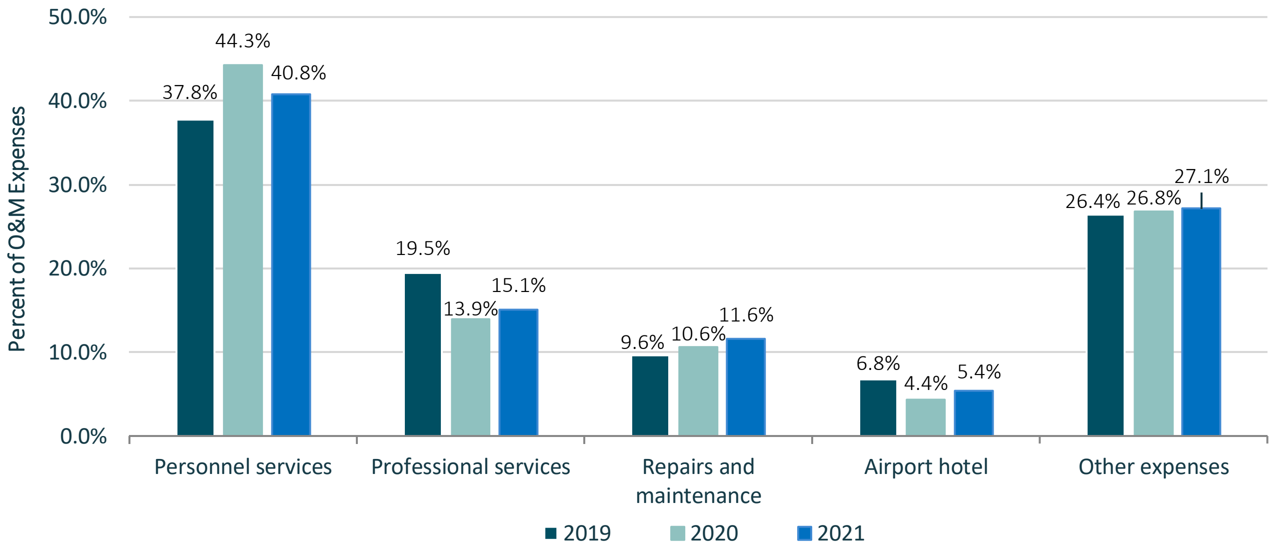
Figure 6
MAJOR CATEGORIES OF O&M EXPENSES IN 2019, 2020, AND 2021
Denver International Airport



Note: Totals may not add to 100% because of rounding.
Source: Department management records.

Debt Service

Aggregate Debt Service Requirements on Senior Bonds, Subordinate Bonds, and Junior Lien Obligations are estimated to increase from $398.8 million in 2021 to $742.1 million in 2030. Increases in aggregate Debt Service Requirements on Senior Bonds, Subordinate Bonds, and Junior Lien Obligations are attributable to the (1) overall structure of Outstanding Bonds, (2) issuance of the proposed Series 2022 Bonds, and (3) planned issuance of Future Planned Bonds, which are assumed to be issued as Senior Bonds and Subordinate Bonds in the financial forecasts presented in this 2022 Report.

The City may use a revolving line of credit and/or other interim credit facilities to pay for project costs in the Airport's Total Capital Program, which would be considered Subordinate Bonds or Contract Obligations under the SBO. If these sources are used to pay project costs, Department management would issue Future Planned Bonds at a later date to replace those funding sources. For purposes of this 2022 Report, it was assumed that these project costs would be financed with net proceeds from the sale of Future Planned Bonds.

Certain capital costs (such as furniture, fixtures, and equipment costs) associated with the Airport hotel are also Junior Lien Obligations of the Airport System.

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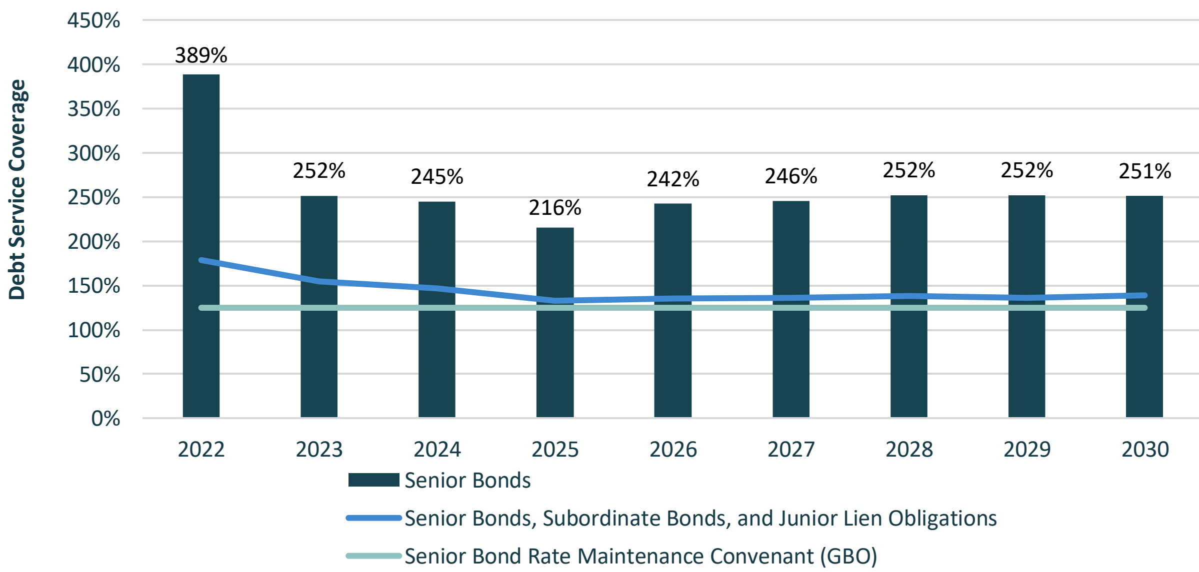
DEBT SERVICE COVERAGE

Under the Senior Bond Rate Maintenance Covenant of the GBO, debt service coverage is calculated by dividing Net Revenues and Other Available Funds by Debt Service Requirements on Senior Bonds for Senior Bond debt service coverage.

As shown on Figure 7, forecast debt service coverage in each year of the Forecast Period indicates compliance with the Rate Maintenance Covenant of 125% of the Debt Service Requirements on Senior Bonds, including the proposed Series 2022 Bonds and Future Planned Bonds that may be issued by the City during the Forecast Period. Figure 7 also shows debt service coverage for Senior Bonds, Subordinate Bonds, and Junior Lien Obligations for all outstanding bonds, proposed Series 2022 Bonds, and Future Planned Bonds.

Figure 7
FORECAST DEBT SERVICE COVERAGE
Denver International Airport



Notes: Includes estimated Debt Service Requirements on the issuance of the proposed Series 2022 Bonds and Future Planned Bonds. Changes in debt service, including any savings from the City's potential refunding of any outstanding revenue bonds during the Forecast Period, are not included in the financial forecasts included in this 2022 Report. Excludes CFC revenues, which are restricted in use and are also excluded from the forecast of Gross Revenues and debt service coverage presented in this 2022 Report.

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ASSUMPTIONS UNDERLYING THE FINANCIAL FORECASTS

The financial forecasts presented in this 2022 Report are based on information and assumptions provided by, or reviewed with and agreed to by, Department management. The forecasts reflect management's expected course of action during the Forecast Period and, in management's judgment, present fairly the expected financial results of the Airport. Those key factors and assumptions that are significant to the forecasts are set forth in the attachment, titled "Background." The attachment should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the forecasts.

However, any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences could be material. Neither WJ Advisors LLC nor any person acting on our behalf makes any warranty, express or implied, with respect to the information, assumptions, forecasts, opinions, or conclusions disclosed in this 2022 Report. We have no responsibility to update this 2022 Report for events and circumstances occurring after the date of this 2022 Report.

We appreciate the opportunity to serve as the Department's Airport Consultant in connection with this proposed financing.

Respectfully submitted,

WJ Advisors LLC

WJ Advisors LLC

BACKGROUND

City and County of Denver, Colorado

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SECTION 1

AIRLINE TRAFFIC AND ECONOMIC ANALYSES

OVERVIEW OF AIRPORT ROLE

Denver International Airport has an important role in the national, State, and local air transportation systems. From 2017 through 2019, the three years before the COVID-19 pandemic, the Airport was the fifth busiest airport in the United States in terms of total passengers (enplaned plus deplaned), according to statistics compiled by ACI-NA.

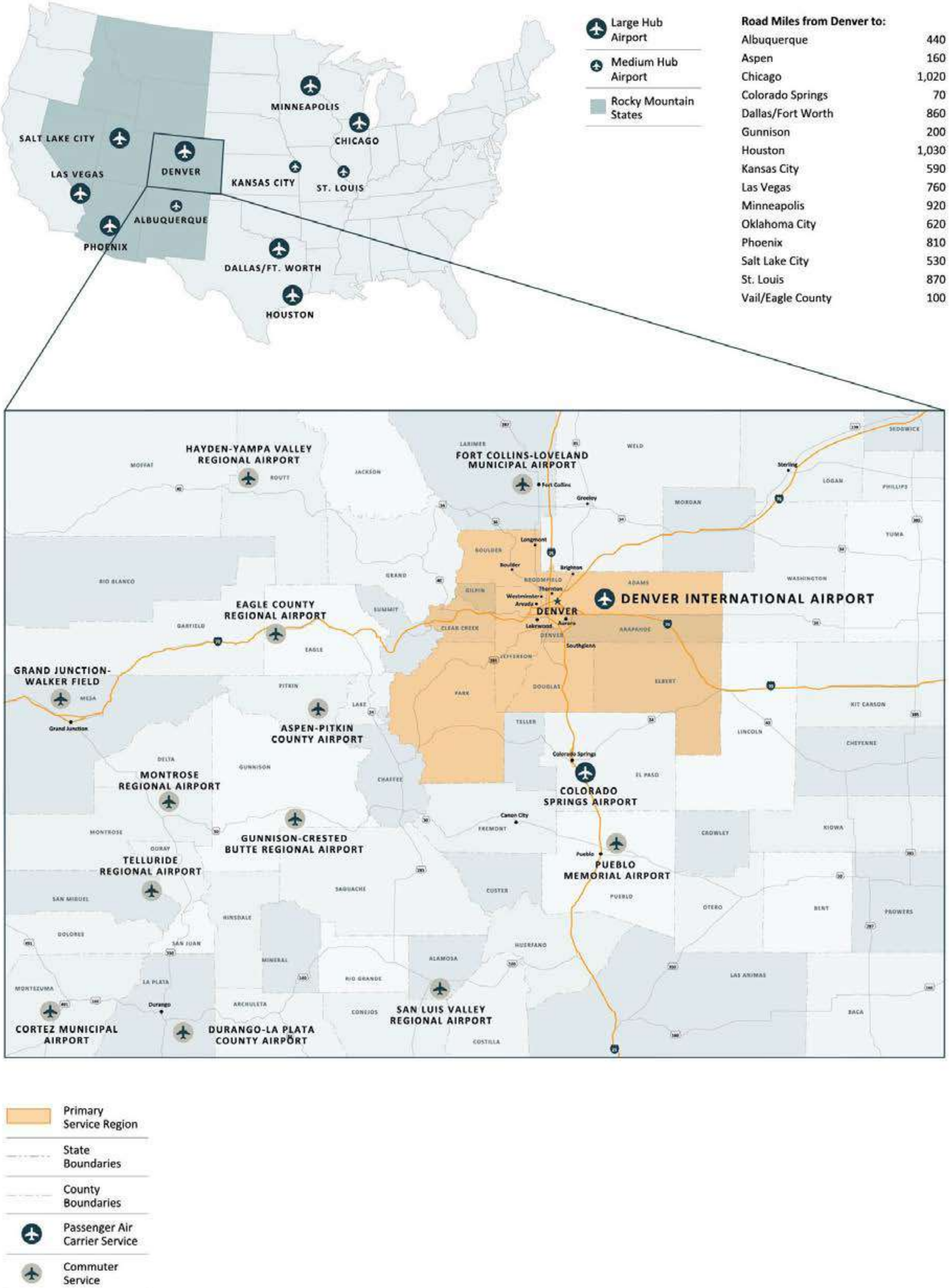
In 2019, the Airport enplaned a record high 34.5 million enplaned passengers. In 2020, the Airport was the third busiest airport in the United States, with 16.9 million enplaned passengers. The Airport experienced a smaller decrease in enplaned passengers relative to other large hub airports, primarily due to its strong domestic traffic base, as airports with higher international traffic were affected more severely by the travel restrictions imposed as a result of the COVID-19 pandemic.

In 2021, the Airport was the third busiest airport in both the United States and the world according to statistics compiled by ACI-NA, with 58.8 million total passengers, and 29.4 million enplaned passengers, which reflects 85.2% of the previous record high enplaned passenger level in 2019. The increase in ranking in 2020 and 2021 is due, in part, to international border closures at other international airports and the high proportion of domestic travel at the Airport as compared to other airports. The top five ranking of the Airport since 2017 reflects its (1) large O&D passenger base, (2) central geographic location, (3) role as a connecting passenger hub for United Airlines, Southwest Airlines, and Frontier Airlines, and (4) role as the primary commercial service airport in Colorado.

Central Geographic Location

Located near the geographic center of the U.S. mainland, Denver has been a major air transportation hub in the route system of United Airlines, Southwest Airlines, and Frontier Airlines. This fact underscores the importance of the Airport as a strategic asset within the U.S. air transportation system. For United Airlines and Southwest Airlines, Denver serves as an important domestic U.S. connecting hub for East-West and West-East traffic flows. The Airport's natural geographic advantage as a connecting hub is enhanced by its ability to accommodate aircraft landings and takeoffs in virtually all-weather conditions. Figure 8 shows the central geographic location of the Airport compared with the locations of certain other connecting hub airports.

Figure 8
AIRPORT SERVICE REGION



Road Miles from Denver to:	
Albuquerque	440
Aspen	160
Chicago	1,020
Colorado Springs	70
Dallas/Fort Worth	860
Gunnison	200
Houston	1,030
Kansas City	590
Las Vegas	760
Minneapolis	920
Oklahoma City	620
Phoenix	810
Salt Lake City	530
St. Louis	870
Vail/Eagle County	100

Third Busiest U.S. Airport

Table 2 shows the 2021 rankings of the top 10 airports in the United States, as measured by total passengers. In 2019, the number of total passengers at the Airport increased 7.0% compared to the previous year—the highest average annual rate of growth among the 10 busiest airports in the United States during this period. In 2020, total passengers decreased by 51.1% due to the COVID-19 pandemic, the second lowest rate of decline among the 10 busiest airports in the United States. In 2021, total passengers increased 74.5%, maintaining the Airport's ranking as third busiest in the United States, as well as third busiest airport in the world.

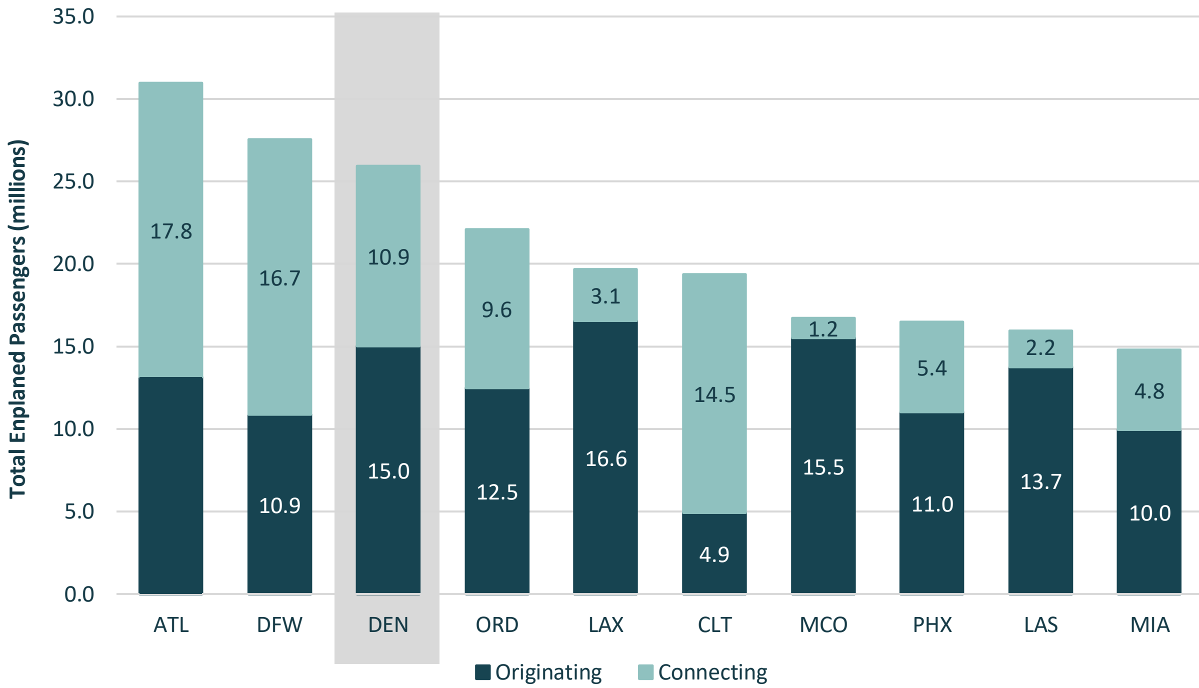
Table 2
TOTAL PASSENGERS AT THE 10 BUSIEST AIRPORTS IN THE UNITED STATES IN 2021

		Total passengers (millions) *(a)*					Average annual percent increase (decrease)		
Rank 2021	City (airport)	2017	2018	2019	2020	2021	2015-2019	2019-2020	2020-2021
1	Atlanta	103.9	107.3	110.5	42.9	75.7	2.2%	(61.2%)	76.5%
2	Dallas/Fort Worth	67.1	68.6	75.1	39.4	62.5	3.5%	(47.6%)	58.6%
3	**Denver**	**61.4**	**64.5**	**69.0**	**33.7**	**58.8**	**6.3%**	**(51.1%)**	**74.5%**
4	Chicago (O'Hare)	79.5	83.2	84.6	30.9	54.0	2.4%	(63.5%)	74.8%
5	Los Angeles	84.6	87.5	88.1	28.8	48.0	4.1%	(67.3%)	66.7%
6	Charlotte	48.6	49.8	51.7	22.3	43.3	3.3%	(56.9%)	94.2%
7	Orlando	43.6	47.5	50.6	21.6	40.4	7.4%	(57.3%)	87.0%
8	Las Vegas	43.2	44.9	46.3	21.9	39.8	1.3%	(52.6%)	81.7%
9	Phoenix	45.9	47.5	50.6	21.6	38.8	3.0%	(57.3%)	77.3%
10	Seattle	46.9	49.8	51.8	20.1	36.2	5.2%	(61.3%)	80.1%
	Average for airports listed	62.5	65.1	67.8	28.3	49.7	3.7%	(58.3%)	77.1%

(a) Enplaned plus deplaned passengers.
Sources: Denver – Department management records. Seattle and Phoenix – airport websites. All other airports – ACI-NA, *Worldwide Airport Traffic Report* and *North American Airport Rankings,* for 2015-2020; ACI-NA "*The Top 10 Busiest Airports in the World Revealed,"* accessed April 11, 2022, for 2021, the latest ACI report available at the time of this 2022 Report.

As shown on Figure 9, 15.0 million passengers, or 57.9% of the 25.9 million passengers enplaned at the Airport for the 12 months ending September 2021 connected from one flight to another. All three busiest airlines serving the Airport, as measured by number of enplaned passengers in 2021—United Airlines, Southwest Airlines, and Frontier Airlines—use the Airport as a connecting hub. In 2021, 59.3% of passengers enplaned by the United Airlines Group connected at the Airport with flights to other destinations, followed by 37.9% on Southwest Airlines and 25.9% on Frontier Airlines.

Figure 9
ORIGINATING AND CONNECTING PASSENGERS AT THE 10 BUSIEST AIRPORTS IN THE UNITED STATES
12 months ending September 2021



ATL= Hartsfield-Jackson Atlanta international
DFW = Dallas/Fort Worth International
DEN = Denver International
ORD = Chicago O'Hare International
LAX = Los Angeles International
CLT = Charlotte Douglas International
MCO = Orlando International
PHX = Phoenix Sky Harbor International
LAS = Harry Reid (Las Vegas) International
MIA = Miami International

Note: 10 busiest airports in the United States based on 2020 rankings from Airports Council International-North America, *North American Airport Rankings*, accessed March 2022.

Large Origin-Destination Passenger Base

The Airport's large O&D passenger base is related to the population of the region served by the Airport, the strength of the local and regional economy, and the attractiveness of the Denver Metropolitan Area (as defined later) as a tourist destination. The passenger base of both leisure and business travelers in the Airport service region supports the local and connecting hub operations of United Airlines, Southwest Airlines, and Frontier Airlines. In the 12 months ending September 2021, approximately 15.0 million O&D passengers used the Airport, making Denver the third busiest O&D passenger market in the United States.

Connecting Hub for United Airlines, Southwest Airlines, and Frontier Airlines

As shown in Table 3, the Airport is expected to account for the fifth largest number of scheduled daily seats at U.S. connecting hub airports in June 2022. The Airport is an attractive connecting hub because of its central geographic location and ability to accommodate all types of aircraft in virtually all-weather conditions.

Table 3
SCHEDULED AIRLINE SERVICE AT TOP CONNECTING HUB AIRPORTS IN THE UNITED STATES
June 2022

	Average daily scheduled outbound seats			Busiest airline(s)		
City (Airport)	Domestic	International	Total	Airline *(a)*	Average daily scheduled outbound seats	Airline share of airport total
Atlanta	147,635	18,433	166,068	Delta	127,374	76.7%
Dallas/Ft. Worth	108,163	20,356	128,519	American	106,154	82.6%
Los Angeles	92,830	34,513	127,343	Delta	21,894	17.2%
				United	20,737	16.3%
Chicago (O'Hare)	101,903	24,484	126,387	United	54,833	43.4%
				American	41,309	32.7%
Denver	**117,565**	**6,978**	**124,543**	**United**	**55,117**	**44.3%**
				Southwest	**40,813**	**32.8%**
				Frontier	**11,358**	**9.1%**
New York (JFK)	51,292	56,570	107,862	JetBlue	29,930	27.7%
				Delta	29,881	27.7%
New York (Newark)	60,892	26,674	87,566	United	58,135	66.4%
Charlotte	79,526	7,450	86,976	American	78,654	90.4%
Phoenix	68,359	3,536	71,895	American	28,080	39.1%
				Southwest	27,383	38.1%
Seattle-Tacoma	76,356	9,578	85,934	Alaska	45,713	53.2%
				Delta	20,610	24.0%

(a) Includes regional airline affiliates.
Note: Connecting hubs ranked by outbound seats.
Source: OAG advance schedules, accessed March 2022.

Primary Commercial Service Airport in Colorado

Of the 14 commercial service airports in Colorado (see Figure 8), the Airport is the busiest airport in terms of the number of enplaned passengers. Colorado Springs Airport, a small-hub airport located 70-miles south of the Airport, principally serves local demand and ranks second in the State of Colorado after the Airport in terms of numbers of enplaned passengers. In 2021, approximately 936,000 passengers were enplaned at Colorado Springs Airport, compared with approximately 29.4 million passengers enplaned at the Airport.

Airport Service Region

As shown on Figure 8, the primary Airport service region is defined as the Denver Metropolitan Area in terms of both population and geography. The Denver Metropolitan Area includes the Denver-Aurora-Lakewood Metropolitan Statistical Area (MSA) consisting of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park counties, and the Boulder MSA, consisting of Boulder County.

The secondary region served by the Airport, which includes many of the counties surrounding the Denver Metropolitan Area, is defined by the location of (and the airline service provided at) other large- and medium-hub air carrier airports. The nearest such airports are in Albuquerque (440 miles to the south), Salt Lake City (530 miles to the west-northwest), Kansas City (590 miles to the east), Las Vegas (760 miles to the west-southwest), and Phoenix (810 miles to the southwest).

The location of the Airport and its primary service region, with access to the interstate highway system and major rail lines, as well as the extensive airline service offered at the Airport, has helped attract the regional and national headquarters of businesses and government agencies to the Denver Metropolitan Area.

The following sections of the airline traffic analysis present a review of (1) the economic basis for airline traffic at the Airport, including socioeconomic, local industry, and other factors that contribute to passenger and cargo demand; (2) airline traffic trends at the Airport, including airlines serving the Airport; enplaned passengers using the Airport; trends in enplaned, originating, and connecting passengers, including the role of the Airport in the route systems of United Airlines, Southwest Airlines, and Frontier Airlines; (3) the key factors that will affect future airline traffic, both at the Airport and nationwide; and (4) forecasts of airline traffic at the Airport through 2030, including enplaned passengers and aircraft landed weight.

ECONOMIC BASIS FOR AIRLINE TRAFFIC

The economy of an airport service region is a major factor affecting long-term airline traffic at the airport(s) serving the region. Generally, regions with large populations, high levels of employment, and high average per capita personal income will generate a high demand for airline travel. The demographics and economy of the region—as measured by changes in population, employment, and per capita personal income—as well as airline service and airfares—are typically the most important factors affecting O&D passenger demand at the airport(s) serving the region. As described below, Denver has one of the fastest growing major economies in the United States, as well as one of the fastest growing populations.

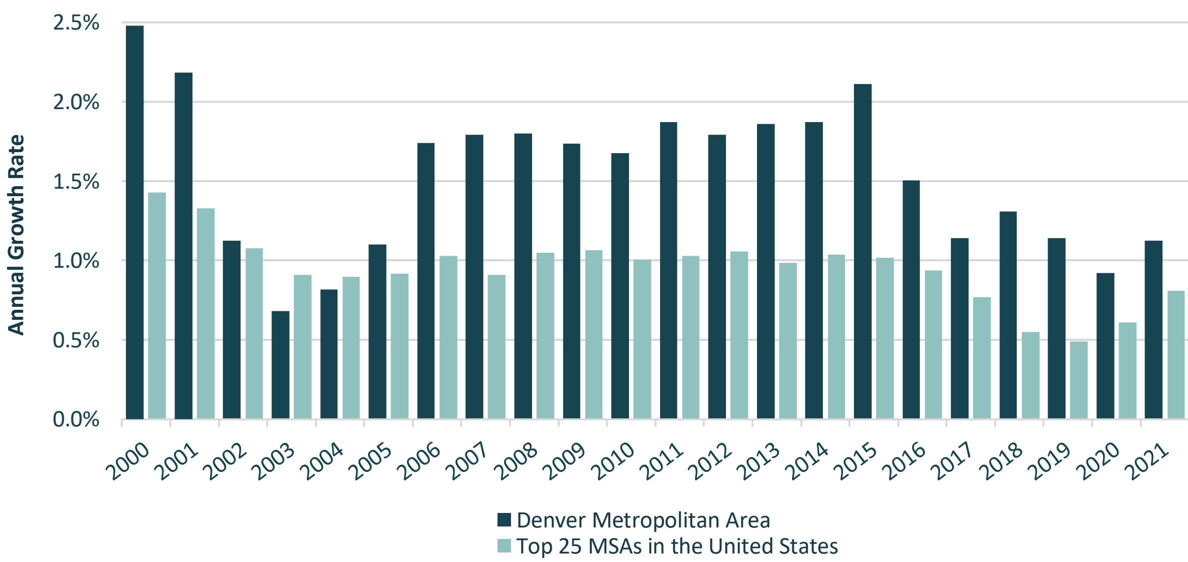
Historical Population, Nonagricultural Employment, and Per Capita Personal Income

The Denver Metropolitan Area is a major business center in the state of Colorado and the multistate Rocky Mountain region, which consists of Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming. Table 4 presents historical and projected population, nonagricultural employment, and per capita personal income in the Denver Metropolitan Area, the State of Colorado, and the United States for 1990, 2000, 2010, 2015 through 2020, 2025, and 2030. In 2020, the Denver Metropolitan Area accounted for 57.1% of Colorado's population and more than 69.3% of its nonagricultural employment.

Denver ranked eighth among U.S. cities according to Best Cities by Resonance Co. in 2021, due to its affordability and location, which make it "an increasingly wealthy, healthy Millennial magnet of a place."[5] Denver also ranked fourth among U.S. metropolitan areas in Forbes' 2019 Best Places for Business and Careers list, noting that "the city's relatively central location makes it a natural location as a distribution hub for the American west, while also supporting a number of growing industries in technology and telecommunications."[6]

Population. As shown on Figure 10, the Denver Metropolitan Area population has consistently grown at a higher rate than the average of the top 25 metropolitan statistical areas in the United States in every year over the past two decades except for 2003 and 2004. The growth in population has contributed to the underlying growth in O&D passengers at the Airport. As shown in Table 4, the population of the Denver Metropolitan Area has historically increased at rates generally comparable to that of the State of Colorado and higher than the national average. Population in the Denver Metropolitan Area increased an average of 1.6% per year between 2010 and 2020, more than double the national population growth of 0.7% per year over the same period. Strong population growth in the Denver Metropolitan Area in recent years reflects increased in-migration in response to regional economic growth.

Figure 10
ANNUAL POPULATION GROWTH OF DENVER METROPOLITAN AREA VERSUS TOP 25 MSA AVERAGE



Source: Woods & Poole, Economic and Demographic Projections, May 2021

[5] BestCities.org/Resonance Co., America's Best Cities: A Ranking of U.S. Place Equity", 2021.
[6] Forbes, "The Best Places for Business and Careers", 2019.

Table 4

HISTORICAL AND PROJECTED SOCIOECONOMIC DATA

Denver Metropolitan Area, State of Colorado, and United States 1990-2030

	Population (thousands) *(a)*			Nonagricultural employment (thousands) *(b)*			Per capita personal income in 2012 dollars *(c)*		
Year	Denver Metropolitan Area	State of Colorado	United States	Denver Metropolitan Area	State of Colorado	United States	Denver Metropolitan Area	State of Colorado	United States
Historical									
1990	2,014	3,304	249,623	1,070	1,521	109,487	$34,305	$31,351	$31,065
2000	2,647	4,327	282,162	1,539	2,213	131,785	48,708	43,718	39,307
2010	2,838	5,029	308,746	1,512	2,221	130,362	45,726	42,535	42,497
2015	3,133	5,454	320,739	1,759	2,541	141,843	53,398	49,383	47,414
2016	3,180	5,544	323,072	1,804	2,602	144,352	53,049	49,168	47,828
2017	3,217	5,617	325,122	1,843	2,660	146,624	55,871	50,733	48,855
2018	3,529	5,679	326,838	1,892	2,727	148,908	59,256	54,044	49,943
2019	3,291	5,758	328,330	1,936	2,790	150,905	59,925	54,356	50,988
2020	3,318	5,808	329,484	1,833	2,645	142,186	60,036	55,911	53,504
Projected									
2025	3,514	6,128	341,471	1,889	2,723	146,252	61,240	56,925	54,357
2030	3,707	6,451	352,908	1,919	2,763	148,029	62,298	57,898	55,218
	Year to year annual percent increase (decrease)								
2015-2016	1.5%	1.7%	0.7%	2.6%	2.4%	1.8%	(0.7)%	(0.4)%	0.9%
2016-2017	1.2	1.3	0.6	2.2	2.2	1.6	5.3	3.2	2.1
2017-2018	1.3	1.4	0.5	2.7	2.5	1.6	6.1	6.5	2.2
2018-2019	1.0	1.1	0.5	2.3	2.3	1.3	1.1	0.6	2.1
2019-2020	0.8	0.9	0.4	(5.3)	(5.2)	(5.8)	0.2	2.9	4.9
	Long-term average annual percent increase (decrease)								
Historical									
1990-2000	2.8%	2.7%	1.2%	3.6%	3.8%	1.9%	3.6%	3.4%	2.4%
2000-2020	0.7	1.5	0.9	(0.2)	0.0	(0.1)	(0.6)	(0.3)	0.8
2010-2020	1.6	1.5	0.7	1.9	1.8	0.9	2.8	2.8	2.3
Projected									
2020-2025	1.2	1.1	0.7	0.6	0.6	0.6	0.4	0.4	0.3
2025-2030	1.1	1.0	0.7	0.3	0.3	0.2	0.3	0.3	0.3

n/a = not available

(a) U.S. Department of Commerce, Bureau of the Census, www.census.gov, accessed March 2022.

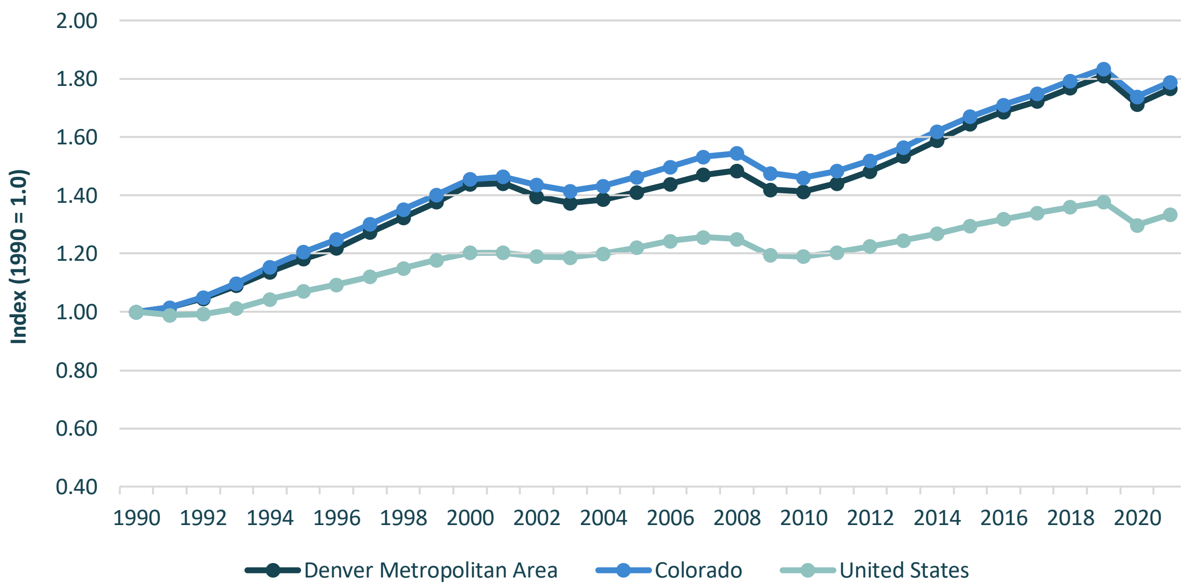
(b) U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed March 2022.

(c) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data, www.bea.gov, accessed March 2022.

Sources: U.S. Department of Commerce, Bureau of the Census, www.census.gov; U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov; U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov; Woods & Poole, *Economic and Demographic Projections*, May 2021.

Employment. Nonagricultural employment in the Denver Metropolitan Area generally correlates with national employment trends, as shown in Table 4 and on Figure 11. Following the trends in population, nonagricultural employment in the Denver Metropolitan Area expanded during the 1990s, increasing an average of 3.6% per year between 1990 and 2000. Nonagricultural employment in the Denver Metropolitan Area and the nation remained relatively unchanged between 2000 and 2010. Between 2010 and 2020, nonagricultural employment in the Denver Metropolitan Area increased an average of 1.9% per year, more than twice the 0.9% average for the United States.

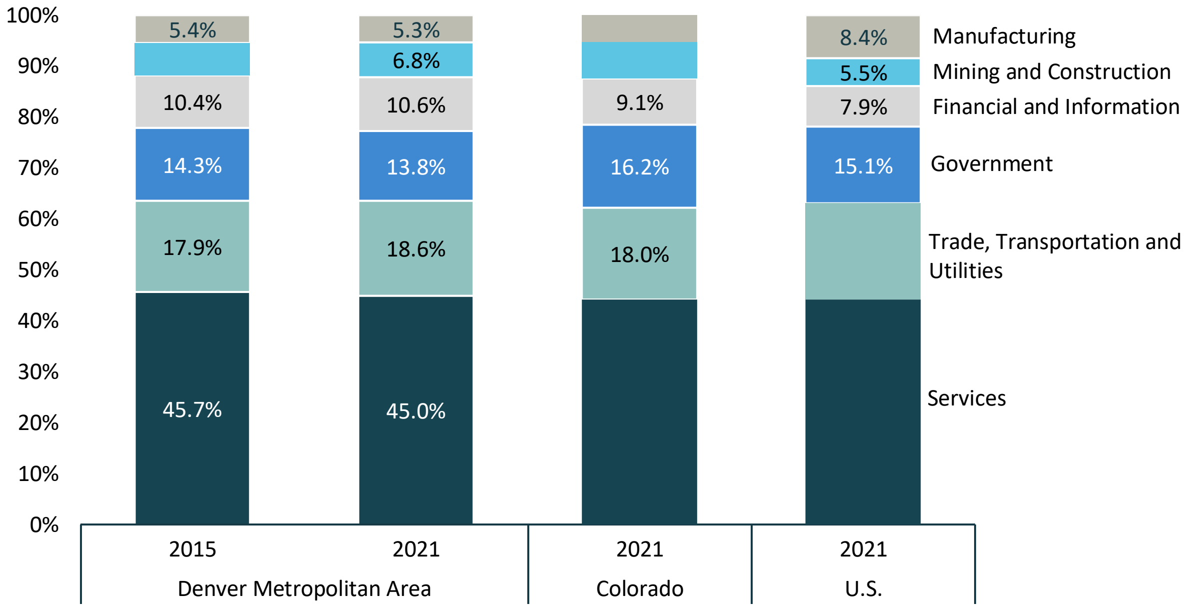
Figure 11
TRENDS IN NONAGRICULTURAL EMPLOYMENT



Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed March 2022.

Nonagricultural Employment by Industry Sector. Figure 12 shows the comparative distribution of nonagricultural employment by industry sector for the Denver Metropolitan Area in 2015 and 2021, and 2021 for the State and the nation. In 2021, employment in services (45.0%)—including health, education, professional, business, and other services—and trade, transportation, and utilities (18.6%) accounted for a combined 63.5% of total nonagricultural employment in the Denver Metropolitan Area.

Figure 12
COMPARATIVE DISTRIBUTION OF EMPLOYMENT BY INDUSTRY SECTOR



Note: Columns may not add to 100% because of rounding.
Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed March 2022.

Major Employers. Table 5 lists the 20 largest private employers in the Denver Metropolitan Area as of June 2021. The table reflects the diversity of the companies and organizations in the area.

Per Capita Personal Income. Per capita personal income (in 2012 dollars) in the Denver Metropolitan Area has historically exceeded that in the State of Colorado and nation, as shown in Table 4. Average per capita income in the Denver Metropolitan Area in 2020 (the latest available data), exceeded that in the State and the nation by 7.4% and 12.2%, respectively. Denver's per capita income also exceeds the average across the other large MSAs, demonstrating the strength of the growing economy in Denver. The Denver Metropolitan Area currently ranks eighth in the nation in terms of per capita income among the nation's 25 largest metropolitan areas.[7]

Growth in passenger traffic and the propensity to travel in a region are closely related to per capita personal income levels as (1) income tends to reflect the level of education of the workforce, and a more highly educated workforce is likely to concentrate in occupations with a higher propensity to travel and (2) income growth translates into disposable income, which reflects the potential for growth in the number of trips per person.

[7] Woods & Poole, Economic and Demographic Projections, May 2021.

Table 5
20 LARGEST PRIVATE EMPLOYERS
Denver Metropolitan Area

Rank	Company	Description	Number of employees *(a)*
1	HealthONE Corporation	Healthcare	12,100
2	UCHealth	Healthcare, Research	11,600
3	SCL Health System	Healthcare	10,000
4	Centura Health	Healthcare	10,000
5	Amazon	Warehousing and Distribution Services	9,800
6	Lockheed Martin Corporation	Aerospace and Defense Related Systems	9,700
7	Comcast	Telecommunications	7,600
8	Kaiser Permanente	Healthcare	7,100
9	Children's Hospital Colorado	Healthcare	7,000
10	United Airlines	Airline	7,000
11	Lumen Technologies	Telecommunications	5,800
12	Ball Corporation	Aerospace, Containers	5,500
13	United Parcel Service	Logistics	5,500
14	Charles Schwab	Financial Services	4,500
15	Southwest Airlines	Airline	4,400
16	Charter Communications	Telecommunications	4,000
17	University of Denver	University	3,800
18	Wells Fargo	Financial Services	3,700
19	FedEx	Logistics	3,200
20	DISH Network	Satellite TV & Equipment	3,100

Note: Largest private employers do not include retail companies or public/governmental companies or organizations.
(a) Rounded to the nearest hundred
Source: Compiled from various business lists and resources by Development Research Partners Inc., revised June 2021.

Visitors to Denver

Annually since 1991, Visit Denver, the Convention and Visitors Bureau, has commissioned Longwoods International, a research firm that analyzes North American travel patterns, to prepare an in-depth study of the Denver tourism market. Key results of the 2019 Longwoods International study (the latest data available as of the date of this 2022 Report) on Denver tourism were as follows:

- Denver's number of overnight visitors increased by approximately 2.3%, from 17.3 million in 2018 to 17.7 million in 2019, and increased an average of 5.1% annually from 2014 to 2019.

- Denver travel spending reached $6.0 billion in 2019, increasing 7.1% between 2018 and 2019. Visitor spending benefits many different businesses in Denver, including food and beverage, lodging, recreation, sightseeing, and attractions.
- The number of people coming to Denver for conventions and business travel over the past five years has remained flat at approximately 2.4 million visitors.

The continued growth in Denver's appeal as a tourism destination, which is reflected in the increasing numbers of overnight leisure visitors and in the large number of business-related travelers, influences aviation demand at the Airport. In addition, visitor spending in the Denver Metropolitan Area has the potential of increasing economic growth and aviation demand, especially within the leisure segment. Average daily expenditures per overnight visitor in the marketable leisure segment rose 25% from $136 in 2015 to $171 in 2019.

Table 6 summarizes the trends in visitor activity in the Denver Metropolitan Area in 2000, 2005, and 2010 through 2019 based on the Longwoods International annual study, as well as the number of conventions and delegates reported by Visit Denver, the Convention and Visitors Bureau.

Leisure Travel. Leisure visitors to Denver account for most of the overnight trips (approximately 86.4% in 2019) and drove the growth in numbers of overall visitors in all years included in Table 6. Denver continues to be a strong leisure market where tourism growth remains important to its economy. Between 2010 and 2019, the number of leisure visitors to Denver increased an average of 5.0% per year. Colorado remained the country's top ski destination in 2019, accounting for approximately 18.2% of national overnight ski trips.

Business Travel. In 2019, visitors traveling to Denver on business accounted for approximately 13.6% of all overnight trips, according to the Longwoods International study. Business travelers spent an average of $147 per person per day, compared with $171 per person day spent by leisure visitors. *SmarterTravel* named Denver the fifth best city for business travel in the United States based on number of on-time flights, cost of lodging, reliability of mobile network coverage, and traffic congestion levels.

Conventions. Denver's meeting and convention activity grew in 2019, with 959 conventions held at the Colorado Convention Center and area hotels and more than 396,000 delegates. In 2021, the Colorado Convention Center was ranked as one of the top 13 convention centers with superior facilities and over 580,000 square feet of exhibit space, according to a survey conducted by Quality Logo Products. The Convention Center also achieved a Global Biorisk Advisory Council STAR accreditation, the gold standard for prepared facilities. According to a Watkins Research Group study, Visit Denver was ranked among the top Convention and Visitors Bureau (CVB) by meeting planners surveyed across the country.[8]

[8] Watkins Research Group 2018 Survey of Meeting Planners.

Table 6
VISITOR ACTIVITY
Denver Metropolitan Area

	Overnight trips to Denver (millions)			Denver Conventions	
Year	Leisure	Business	Total	Number	Number of delegates
2000	6.9	2.7	9.6	342	235,996
2005	7.9	2.5	10.4	420	257,956
2010	10.9	1.8	12.7	498	371,003
2011	11.0	2.2	13.2	515	369,059
2012	11.3	2.3	13.6	617	377,115
2013	11.7	2.3	14.0	628	385,292
2014	13.0	2.4	15.4	733	429,497
2015	13.8	2.6	16.4	747	375,278
2016	14.7	2.6	17.3	858	368,459
2017	15.0	2.4	17.4	934	390,074
2018	14.9	2.4	17.3	926	399,005
2019	15.3	2.4	17.7	1026	396,107
	Average annual percent increase (decrease)				
2000-2005	2.7%	(1.5)%	1.6%	4.2%	1.8%
2000-2019	4.8	(0.7)	3.7	6.7	3.1
2010-2019	5.0	4.2	4.9	10.9	0.9

Note: Columns may not add to totals shown because of rounding.
Sources: Colorado Tourism Office, visitor data compiled by Longwoods International, final reports for years noted, and Visit Denver, the Convention and Visitors Bureau records.

Economic Outlook

Economic growth in the United States, the State of Colorado, and the Denver Metropolitan Area forms a basis for anticipated growth in airline traffic at the Airport. Both airline travel and the movement of cargo through the Airport depend on economic linkages between and among the regional, State, national and global economies. Consequently, economic assumptions that were used to develop the forecasts of enplaned passengers prepared for this 2022 Report were based on a review of global, national, State, and regional economic forecasts, as well as analyses of historical socioeconomic trends and airline traffic trends.

Global Economy. Globalization of the world economy has created linkages between national economies that relate not only to trade, but also to airline travel. The successful development and distribution of COVID-19 vaccines in 2021 allowed the reopening of face-to-face services as the rates of new cases and hospitalizations have decreased and the COVID-19 pandemic gets closer to an endemic phase. Indicators of economic activity and employment have strengthened, and the U.S. economy has reopened. However, the current supply-chain crisis continues to put pressure on inflation and the global economy.

Historical and forecast GDP for world regions is shown in Table 7, and shows that from 2021 through 2033, the average annual rate of growth of real global GDP is projected to increase by 3.0%, consistent with 3.0% worldwide real GDP growth between 2010 and 2019. As long as global economic growth continues, demand for business and leisure travel, including airline travel to the Denver Metropolitan Area, will likely increase. However, global economic recovery is threatened by the spread of new coronavirus variants as well as geopolitical instability in Ukraine which is having a major impact on oil and fuel, agricultural commodities, and metal prices around the world. Such events, along with new supply chain disruptions are directly impacting European economies, and these economic and market fluctuations over the long-term may result in projected GDP growth that is lower than is reflected in Table.

Table 7

HISTORICAL AND PROJECTED GLOBAL REAL GROSS DOMESTIC PRODUCT RATE OF GROWTH

	Average annual real GDP rate of growth		
Region/Country	Historical 2010-2019	Historical 2020	Projected 2021-2033
China (including Hong Kong and Macau)	7.2%	2.0%	4.8%
Asia (excluding China, Hong Kong, and Macau)	3.3	(4.2)	3.7
Africa	3.3	(3.2)	3.6
Middle East	3.1	(5.5)	3.3
Latin America	1.7	(6.9)	2.9
Canada	2.1	(5.3)	2.1
United States	2.3	(3.5)	2.1
Former Soviet Union	2.1	(2.7)	2.7
Europe	1.6	(6.5)	1.8
World	3.0	(3.5)	3.0

Source for historical and projected: U.S Department of Agriculture, Economic Research Service, *International Macroeconomic Data, Projected Real GDP Values*, updated January 13, 2022.

National Economy. After a long period of sustained economic growth beginning in 2010, supported by improved business investment and increased global economic activity,[9] the COVID-19 pandemic in 2020 resulted in an economic downturn where the nation's GDP declined 3.5%. In 2021, the U.S. economy recovered, growing 5.7%, despite continued supply chain constraints and high inflation of 7% year-over-year. The Conference Board Economic Outlook report expects the nation's GDP to grow at a moderate pace of 3.0% through 2022 followed by 2.3% in 2023.[10]

Figure 13 presents trends in U.S. GDP (in 2012 dollars) and numbers of enplaned passengers at the Airport and in the nation from 2000 through 2021 (using 2000 as the index year). Overall, trends in national passenger traffic have generally correlated with the trends in GDP since 2000,

[9] Colorado Legislative Council, *Focus Colorado: Economic and Revenue Forecast*, March 17, 2022, www.colorado.gov, accessed March 2022.

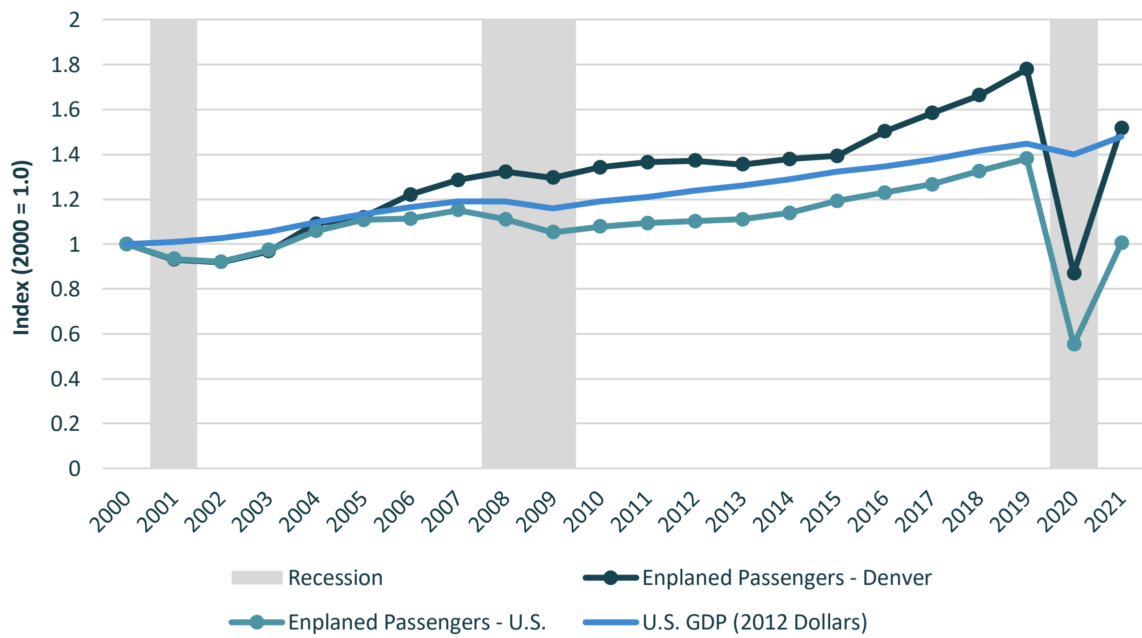
[10] The Conference Board, *Economic Forecast for the US Economy (seasonally-adjusted annual rates)*, March 10, 2022, https://www.conference-board.org/research/us-forecast, accessed March 2022.

including decreases during the 2008-2009 economic recession and the 2020 recession. In comparison, the trends in the numbers of enplaned passengers at the Airport have tracked more positively than the average for the nation.

During the 2008-2009 national economic recession, the number of passengers enplaned at the Airport increased 2.8% in 2008 and decreased (2.0%) in 2009. In comparison, the number of enplaned passengers in the United States decreased (1.2%) in 2008 and (7.0%) in 2009, based on U.S. Department of Transportation (DOT) data. During the recovery from the 2008-2009 recession, the number of passengers enplaned at the Airport increased 3.6% in 2010, 1.7% in 2011, and 0.5% in 2012. As growth resumed in the national economy, the number of enplaned passengers increased 32.6% at the Airport and 33.0% in the United States between 2010-2019.

Figure 13

TRENDS IN U.S. REAL GROSS DOMESTIC PRODUCT AND ENPLANED PASSENGERS



Sources: U.S. GDP—U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov, accessed March 2022. Airport enplaned passengers—Department management records. U.S. enplaned passengers—U.S. Department of Transportation, Federal Aviation Administration, www.faa.gov, accessed March 2022.

The Congressional Budget Office (CBO) indicated that as the national economy recovers from the COVID-19 pandemic and continues to absorb fiscal and monetary support, it projects real GDP will expand at an average annual rate of 1.6% between 2022-2031 while inflation will grow at higher-than-normal rates, averaging 2.1% during the same period. The CBO also projects that the unemployment rate will fall from 6.8% seen at the end of 2020 to 3.6% by the end of 2022.[11]

[11] Congressional Budget Office, *Analysis of CBO's July 2021 Budget and Economic Outlook*, July 2021; accessed March 2022.

Colorado Economy. During the 2020 recession caused by the COVID-19 pandemic, Colorado's economy performed above average, as its GDP declined 3.0% in 2020 compared to the nation's GDP decline of 3.4%. In 2021, Colorado's GDP grew by 5.8%, slightly above the nation's average, driven in part by Colorado's diverse economy and accounting for approximately 1.9% of the U.S. GDP.[12]

- **Population**—The Colorado Legislative Council (CLC) forecasts a 1.1% increase in Colorado's population between 2021 and 2022, and a 1.2% increase in population from 2022-2023.[13] According to Development Research Partners' report "An Economic & Demographic Overview of the Denver Metropolitan Area," net in-migration to Colorado will remain the top reason for population growth.[14]
- **Nonagricultural employment**—Over the past 10 years, Colorado employment grew at an annual average rate of 1.8%, double the national rate of 0.7% over the same period. For 2020, Colorado's unemployment rate fell to 6.4%, 0.3% below the U.S. average of 6.7% and remains among the lowest in the nation. The CLC forecasts 2.8% growth in Colorado's nonagricultural employment in 2021 followed by 3.4% growth in 2022.
- **Retail trade**—Following a 17.3% increase in Colorado retail trade sales (an indicator of consumer spending) in 2021, the CLC forecasts that retail trade sales in Colorado will increase in 2022. However, the CLC expects inflationary concerns will have a weighted impact on consumer sentiment and supply chain disruptions are expected to persist in 2022.
- **Residential construction**—Recently there has been a shift in residential construction from single-family residences to multi-family units. In 2021, construction permits for single-family residences increased 3.5% over 2020, while permits for multi-family residences increased 84%. The CLC forecasts that the number of new single-family home permits issued in Colorado will decrease 3.7% in 2022 and increase 3.4% in 2023 as new multi-family housing units are completed.

Denver Metropolitan Area Economy. The economic drivers in the Denver Metropolitan Area are diverse and include mature, stable, and emerging industries. Metro Denver Economic Development Corporation (MDEDC) noted that employers in the Denver metropolitan area in the information technology, telecoms, communications, and media industries anticipate the strongest staffing climate.[15]

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[12] Leeds School of Business, University of Colorado, Boulder, *Business Economic Outlook 2022,* December 2021; accessed March 2022.
[13] Colorado Legislative Council Staff, *Economic & Revenue Forecast*, March 2022.
[14] Development Research Partners, An Economic & Demographic Overview of the Denver Metropolitan Area, May 2018; accessed June 2018.
[15] Metro Denver Economic Development Corporation, *Monthly Economic Indicators*, January 2022; accessed March 2022.

- **Population**—The Denver Metropolitan Area is consistently ranked as one of the fastest-growing metropolitan areas in the nation. According to the MDEDC,[16] population growth in the Denver Metropolitan Area increased an average of 1.6% between 2009 and 2019. Looking forward, the MDEDC anticipates that the population will increase 0.9% in 2020, which is higher than the projected national growth of 0.8%.
- **Nonagricultural employment**—The MDEDC estimates that nonagricultural employment in the Denver Metropolitan Area grew 5.3% for the twelve months from November 2020 to November 2021. According to Development Research Partners, this employment growth was driven in part by the Denver Metropolitan Area's ability to attract new companies, draw in talented workers, and ability to promote entrepreneurship, as well as a record number of people looking for work.
- **Retail trade**—While retail trade sales slowed significantly in 2020 due to the COVID-19 pandemic, retail trade sales in the Denver Metropolitan Area increased 13.4% over the twelve months from January 2021 to January 2022 according to the MDEDC monthly indicators. The MDEDC expects the concerns about the rise in inflation to continue through 2022, as confidence in consumer spending could decline as prices rise.
- **Residential construction**—The MDEDC estimated that new residential unit construction in the Denver Metropolitan Area increased 97.9% from November 2020 to November 2021. Nationally, the strong consumer demand for newly built homes has improved builder confidence, resulting in strong growth of the current limited existing inventory. Looking forward, the CLC anticipates slower growth because "builders face multiple headwinds in responding to strong price growth and low inventory from severe COVID-19 pandemic-related construction supply chain disruptions, a shortage of skilled labor, and increasing costs for lumber and other materials."

Risks to the Economic Outlook. Although the short-term and mid- to long-term economic outlooks are favorable, there are risks that these projections/forecasts may not be achieved. Key risks include the following:

- U.S. consumers may not be able to generate as much spending growth as a result of a lack of growth in wages, persistent unemployment, or other factors.
- Increases in fuel prices related to increasing global demand and political instability in oil producing countries could present a risk to continued economic growth.
- In the long term, the continuing deficits in the U.S. balance of payments as well as continuing large U.S. fiscal deficits could result in volatility in the currency markets, spending reductions, higher interest rates, and reduced access to credit, thereby presenting a risk to continued economic growth.

[16] Development Research Partners, *Metro Denver, Northern Colorado, & Colorado Population*, Revised January 2021; accessed March 2022.

- A shift toward more protectionist economic policies in the United States and abroad could result in reduced cross-border trade and investment, thus lowering global growth.
- Non-economic factors such as political discord, terrorism and security concerns, and geopolitical tensions could dampen growth.

Economic Growth Factors. Factors expected to contribute to continued economic growth in the Denver Metropolitan Area and associated increases in airline travel include (1) diversity in the economic base, which lessens its vulnerability to weaknesses in particular industry sectors; (2) continued growth in the leisure and hospitality industry sectors; (3) generally lower labor and living costs compared with those in many of the largest cities in the nation and other major western metropolitan areas, such as Los Angeles, San Francisco, and Seattle-Tacoma; (4) an educated labor force able to support the development of knowledge-based and service industries; and (5) continued reinvestment to support the development of tourism, conventions, and other businesses.

AIRLINE TRAFFIC TRENDS

The following sections present the airlines serving the Airport; a discussion of enplaned passengers at the Airport since 2000; passenger market shares of enplaned and originating passengers; and the role of the Airport in the systems of United Airlines, Southwest Airlines, and Frontier Airlines.

Airlines Serving the Airport

Table 8 lists the passenger airlines that served the Airport as of May 2022. In addition, several all-cargo airlines, including ABX Air, Inc., ATI, Alpine Air Express, Atlas Air (Prime Air), Bemidji Aviation Services, Inc., DHL Express (USA), FedEx Corporation, Southern Air, and UPS Air Cargo provided service at the Airport.

Table 8
PASSENGER AIRLINES SERVING DENVER INTERNATIONAL AIRPORT
May 2022

Mainline/National	***Foreign-flag***	***Regional/Commuter***
Alaska Airlines	AeroMéxico	American Eagle *(b)*
Allegiant Air	Air Canada *(a)*	Boutique Air
American Airlines	Air France	Delta Connection *(b)*
Delta Air Lines	British Airways	Denver Air Connection
Frontier Airlines	Cayman Airways	Southern Airways Express
JetBlue Airways	Copa Airlines	United Express *(b) (c)*
Southwest Airlines	Icelandair	
Spirit Airlines	Lufthansa German Airlines	
Sun Country Airlines	Volaris	
United Airlines	WestJet	

(a) Includes Jazz Aviation L.P.
(b) Includes SkyWest Airlines.
(c) Includes CommutAir.
Sources: OAG advance schedules, accessed March 29, 2022.

Enplaned Passenger Trends

Table 9 summarizes the numbers of enplaned passengers at the Airport in 2000, 2005, 2010, and yearly from 2015 through 2021, organized by originating, connecting, and total enplaned passengers.

The total number of enplaned passengers at the Airport increased an average of 2.0% per year between 2000 and 2021, with the number of originating and connecting passengers increasing an average of 2.2% and 1.7% per year, respectively. Between 2000 and 2021, the number of enplaned passengers at the Airport increased in 16 of the 21 years. The five years in which enplaned passengers decreased were related to the effects of the 2001 terrorist attacks on September 11, 2001, and national economic recession that followed in 2002, the effects of the national economic recession and financial crisis in 2009, and the COVID-19 pandemic in 2020.

The increase in originating and enplaned passengers at the Airport since 2000 reflects the continued population and economic growth in the Denver Metropolitan Area and the State of Colorado, as well as the continued development of airline service at the Airport.

Table 9
HISTORICAL ENPLANED PASSENGERS
Denver International Airport

	Enplaned passengers			Total annual percent increase (decrease)	Percent originating
Year	Originating	Connecting	Total		
2000	10,979,642	8,413,354	19,392,996	--%	56.6%
2005	11,983,822	9,718,153	21,701,975	--	55.2
2010	14,101,491	11,923,411	26,024,902	--	54.2
2015	17,353,408	9,665,521	27,018,929	--	64.2
2016	18,527,324	10,612,880	29,140,204	7.9	63.6
2017	19,655,635	11,058,376	30,714,011	5.4	64.0
2018	20,746,244	11,512,973	32,259,217	5.0	64.3
2019	22,259,410	12,253,544	34,512,954	7.0	64.5
2020	10,032,089	6,841,754	16,873,843	(51.1)	59.5
2021	17,321,707	12,096,175	29,417,882	74.3	58.9
	Average annual percent increase (decrease)				
2000-2010	2.5%	3.5%	3.0%		
2010-2015	4.2	(4.1)	0.8		
2015-2019	6.4	6.1	6.3		
2019-2020	(54.9)	(44.2)	(51.1)		
2020-2021	72.7	76.8	74.3		
2000-2021	2.2	1.7	2.0		

Source: Department management records.

For the five years from 2015 through 2019, the number of enplaned passengers at the Airport increased an average of 6.3% per year, with the number of originating and connecting passengers increasing an average of 6.4% and 6.1% per year, respectively. During the same period, the average rate of increase (decrease) in enplaned passengers at the Airport by type of business model was as follows:

- 7.0% average annual rate of growth for full-service airlines, which includes the United Airlines Group, Delta Air Lines, American Airlines, and Alaska Airlines.
- 4.6% average annual rate of growth for low-cost[17] carriers (LCC) which includes Southwest Airlines and JetBlue Airways.
- 6.0% average annual rate of growth for ultra-low-cost[18] carriers (ULCC), which includes Frontier Airlines, Spirit Airlines, Allegiant Air, and Sun Country Airlines.

In 2019, the number of enplaned passengers at the Airport increased 7.0%, reflecting a 7.3% increase in the number of originating passengers and a 6.4% increase in the number of connecting passengers, the Airport's sixth consecutive year of growth.

During 2020, the Airport experienced a 51.1% decrease in the number emplaned passengers, from 34.5 million in 2019 to 16.9 million in 2020. Although passenger volumes decreased in 2020 like most other airports in the nation, the Airport was the third busiest airport in the United States in terms of both the total number of passengers and enplaned passengers, highlighting its importance as a key domestic U.S. airport.

In 2021, the Airport's traffic continued to recover to 2019 levels, with enplaned passengers increasing 74.3% compared with the number of enplaned passengers in 2020. Originating passengers and connecting passengers increased 72.7% and 76.8%, respectively. Factors contributing to the recovery include the strength of the Airport's domestic market and the importance of the Airport to the route networks of United Airlines, Southwest Airlines and Frontier Airlines.

The continued recovery and growth in scheduled seat capacity at the Airport by the United Airlines Group, Southwest Airlines, and other airlines serving the Airport are shown on Figure 14.

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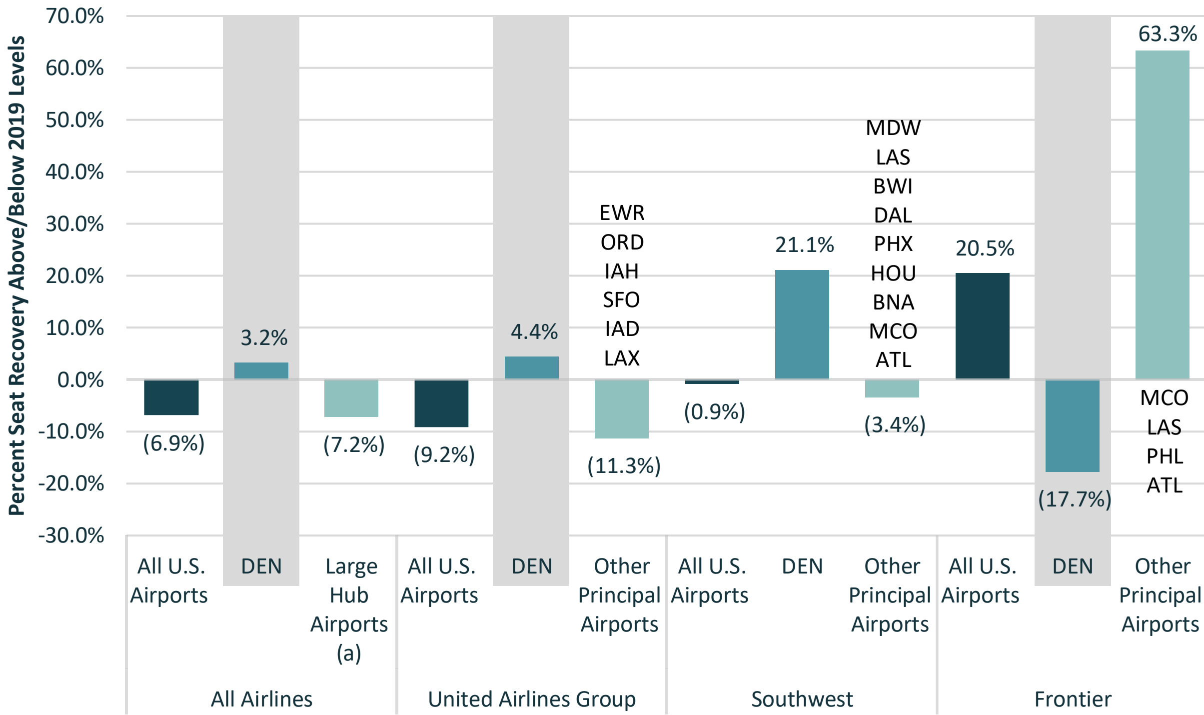
[17] The U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation Statistics defines current industry structure in terms of business models. A "low-cost carrier" operates under a generally recognized low-cost business model, which may include a single passenger class of service, standardized aircraft utilization, limited in-flight services, use of smaller or less expensive airports, and lower employee wages and benefits.

[18] In this Report, Ultra-low-cost airlines are considered a subset of the Low-Cost Airlines category, but have additional focus on lowering base fare and increasing ancillary revenue. Ancillary revenues are products and services airlines charge customers in addition to the cost of the airfare, such as assigned seating, checked bags or in-flight food and beverages.

Figure 14
SCHEDULED DEPARTING SEAT RECOVERY AS A PROPORTION OF 2019 LEVELS
January-September 2019 vs January-September 2022



EWR = Newark International
ORD = Chicago O'Hare International
IAH = George Bush Intercontinental
SFO = San Francisco International
IAD = Washington Dulles International
LAX = Los Angeles International
MDW = Chicago Midway International
LAS = Harry Reid (Las Vegas) International
BWI = Baltimore/Washington International
DAL = Dallas Love Field
PHX = Phoenix Sky Harbor International
HOU = Houston Hobby International
BNA = Nashville International
MCO = Orlando International
PHL = Philadelphia International
ATL= Hartsfield-Jackson Atlanta international

Notes: Scheduled departing seats is for January to September each year, latest schedule data available for Southwest. Total scheduled seats include domestic and international services.
(a) As defined by the FAA.
Source: OAG, online database, accessed May 2022.

During the first nine months of 2022, the following is expected to occur:

- United Airlines' scheduled number of seats at the Airport is expected to exceed 2019 levels by 4.4% whereas its system-wide capacity over the same period is expected to decrease by 9.2%.
- Southwest Airlines' scheduled number of seats at the Airport is projected to exceed 2019 levels by 21.1% while its system-wide seat capacity is expected to decrease by 0.9%.

- Frontier Airlines' scheduled number of seats at the Airport is projected to be 17.7% lower as compared to the same time period in 2019, and lower than the expected number of seats at its other principal airports like Orlando and Las Vegas, which have exceeded the pre-COVID-19 pandemic number of scheduled seats, in part because those markets were attractive domestic leisure destinations during the COVID-19 pandemic where Frontier Airlines and ULCCs operated new point-to-point services.

Later sections of this Report discuss the continued importance and role of the Airport as a connecting hub for United Airlines, Southwest Airlines, and Frontier Airlines.

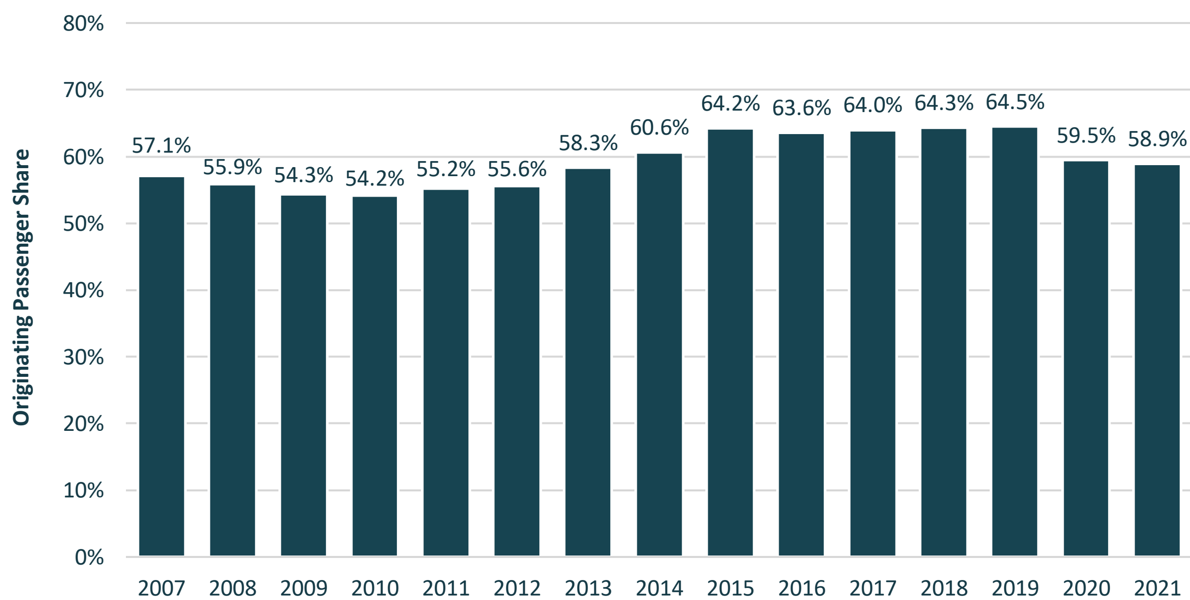
The increase in originating passengers at the Airport since 2000 reflects the continued population and economic growth in the Denver Metropolitan Area and the State of Colorado, as well as increases in airline service, increased airline competition, and the continued development of airline service at the Airport by the LCC and ULCCs.

As shown on Figure 15, the originating passenger share of total Airport enplaned passengers increased steadily between 2010 and 2015 and remained constant at 64% between 2015 to 2019. In 2020 and 2021, the originating passenger share of total Airport enplaned passengers decreased from 64.5% in 2019 to 59.5% in 2020 and 58.9% in 2021, as airlines including United Airlines and Southwest Airlines increased their use of the Airport as a hub for connecting passengers.

Figure 15

ORIGINATING PASSENGER SHARE OF TOTAL AIRPORT ENPLANED PASSENGERS

Denver International Airport

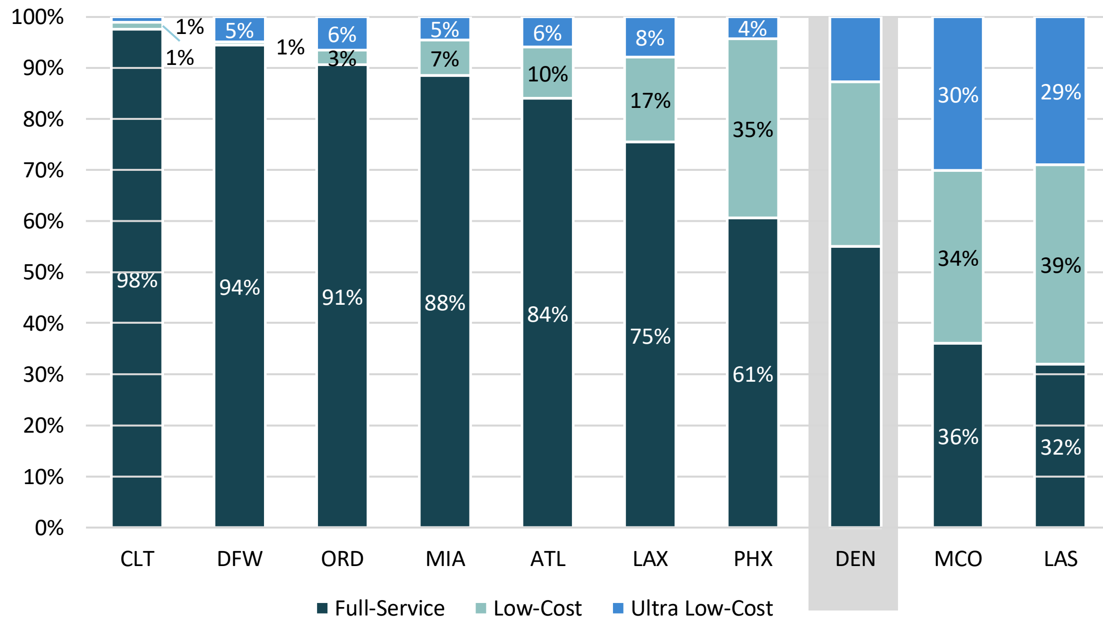


Source: Department management records.

The Airport benefits from a diverse carrier base, with each of the three largest carriers operating distinct business models that focus on different types of travelers. United Airlines is a full-service legacy carrier serving both business and leisure travelers. Southwest Airlines is a traditional LCC serving primarily leisure travelers, and Frontier Airlines is an ULCC serving cost-conscious travelers. The Airport is one of the few airports in the U.S. that supports connecting operations by multiple carriers representing different airline business models.

In 2021, full-service carriers accounted for 55.1% of enplaned passengers at the Airport, LCCs accounted for 32.2% of enplaned passengers, and ULCCs accounted for 12.7% of enplaned passengers. As shown on Figure 16, the Airport is one of only three airports (Harry Reid International (Las Vegas) and Orlando International being the other airports) among the 10 busiest airports in the U.S. with at least a 10% share of total enplaned passengers flown on ULCCs.

Figure 16
SHARE OF ENPLANED PASSENGERS BY CARRIER TYPE AT THE TOP 10 AIRPORTS IN THE UNITED STATES IN 2021



CLT = Charlotte Douglas International
DFW = Dallas/Fort Worth International
ORD = Chicago O'Hare International
MIA = Miami International
ATL= Hartsfield-Jackson Atlanta international
LAX= Los Angeles International
PHX = Phoenix Sky Harbor International
DEN = Denver International
MCO = Orlando International
LAS = Harry Reid (Las Vegas) International

Notes: Top 10 U.S. airports by 2021 enplaned passengers. Airports shown by share of full-service carrier enplaned passengers. U.S. full-service carriers include Delta Air Lines, American Airlines, United Airlines, Alaska Airlines, and Hawaiian Airlines. U.S. LCC carriers include Southwest Airlines and JetBlue Airways. U.S. ULCC carriers include Allegiant Air, Frontier Airlines, Spirit Airlines, and Sun Country Airlines. Totals may not add to 100% because of rounding.
Sources: Denver—Department management records for 2021. Other airports—U.S. Department of Transportation, T-100 for the 12-month period ending September 2021, accessed March 2022.

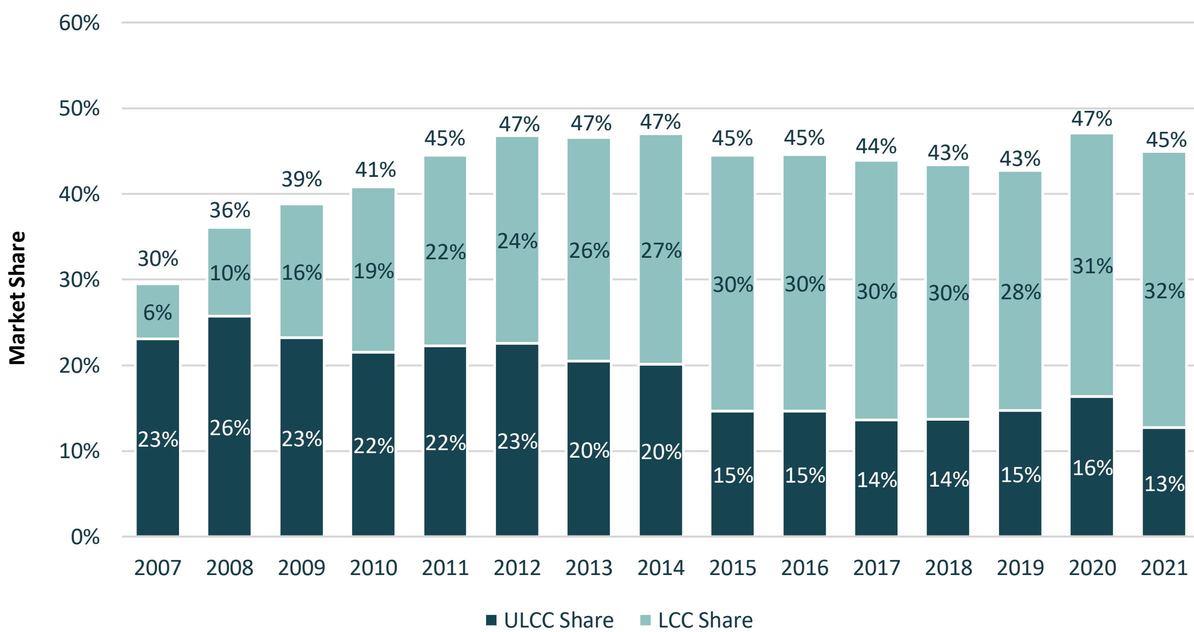
Figure 17 presents the shares of passengers enplaned by the LCC and ULCC at the Airport over the last 10 years, which increased from 40.8% in 2010 to 44.9% in 2021, exceeding the national market share of passengers enplaned by the LCC and ULCC of 27.6% in 2010 and 33.9% in 2021, according to U.S. DOT data.

In 2021, the share of LCC and ULCC enplaned passengers at the Airport was 44.9%, less than 2020's share of 47.1%. A significant portion of the increase in LCC market share at the Airport since 2007 is attributable to Southwest Airlines, which was the second busiest airline at the Airport in terms of numbers of enplaned passengers in 2021. The decline in LCC and ULCC market share of enplaned passengers after 2014 is attributable to a reduction in the number of scheduled seats offered by Frontier Airlines at the Airport. However, the LCC/ULCC share saw an uptick in 2020 from 42.7% in 2019 to 47.1% as a result of larger reductions in scheduled departing seats offered by legacy carriers like United Airlines at the Airport during the first year of the COVID-19 pandemic.

Figure 17

LOW-COST AND ULTRA-LOW-COST CARRIER MARKET SHARES OF ENPLANED PASSENGERS

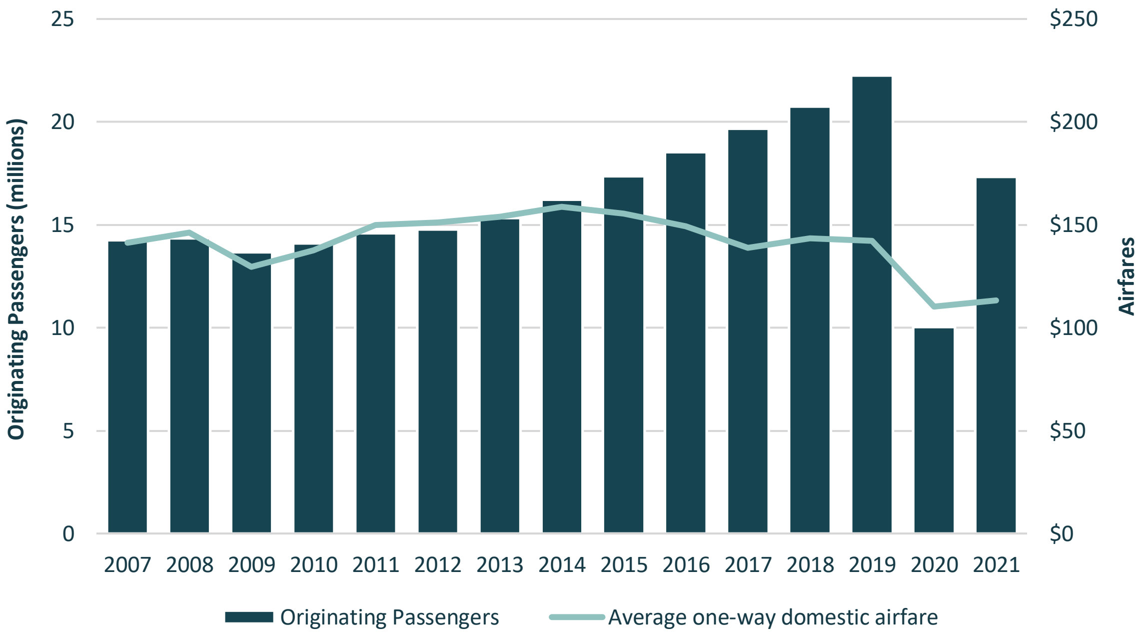
Denver International Airport



Note: LCC and ULCC include AirTran Airways, Allegiant Air, ATA Airlines (ceased service in April 2008), Frontier Airlines (including subsidiaries), Interjet, JetBlue Airways, Midwest Airlines (no longer in service), Spirit Airlines, Southwest Airlines, Sun Country Airlines, Volaris, WestJet Airlines, and Norwegian Air. Virgin America has been included with Alaska Airlines.
Source: Department management records.

Average airfares at the Airport have been relatively constant since 2007 as the result of increasing competition between United Airlines, Southwest Airlines, and Frontier Airlines. Between 2008 and 2009, average airfares decreased slightly as a result of the national economic recession and financial crisis. Stable airfares and local and regional economic growth have contributed to increasing numbers of originating passengers at the Airport in the years preceding the COVID-19 pandemic, as shown earlier in Table 9 and below on Figure 18.

Figure 18
AVERAGE AIRFARES AND ORIGINATING PASSENGERS
Denver International Airport

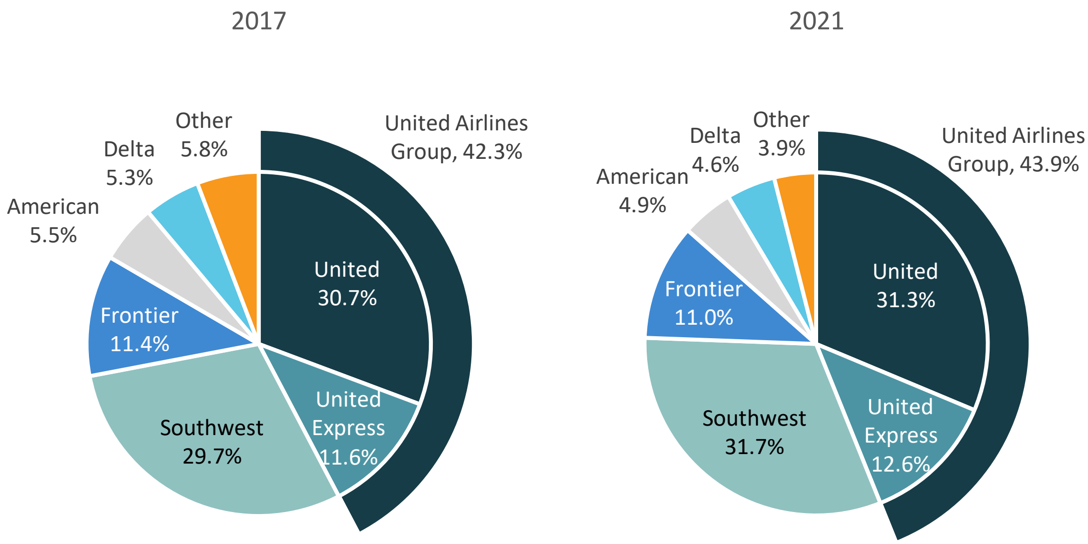


Sources: Airfare data—U.S. Department of Transportation, O&D database, accessed March 2022.
Originating passenger data—Department management records.

Enplaned Passenger Market Shares

Enplaned Passengers. Enplaned passenger market shares for the airlines serving the Airport in 2015 and 2021 are shown on Figure 19 and in Table 10. During 2021, the United Airlines Group enplaned the largest share of passengers at the Airport (43.9%), followed by Southwest Airlines (31.6%) and Frontier Airlines (10.9%).

Figure 19
ENPLANED PASSENGER MARKET SHARES
Denver International Airport



Notes: Includes regional affiliates. Totals may not add to 100% because of rounding.
Source: Department management records.

Beginning in 2012, Southwest Airlines became the second busiest airline serving the Airport in terms of numbers of enplaned passengers. As shown in Table 10, Southwest Airlines increased its market share of enplaned passengers at the Airport from 29.7% in 2017 to 31.7% in 2021. During that same period, Frontier Airlines' enplaned passenger market share decreased from 11.4% to 11.0% and United Airlines Group's enplaned passenger market share increased from 42.3% to 43.9%.

Importantly, the Airport is served by a diverse carrier base, with no single carrier accounting for more than 44.0% of enplaned passengers in 2021. Among the top 10 U.S. airports by enplaned passengers in 2021, the Airport had the sixth lowest concentration of service by a single carrier, as shown on Figure 20.

Table 10

HISTORICAL ENPLANED PASSENGERS BY AIRLINE

Denver International Airport

	2015	2016	2017	2018	2019	2020	2021
United Airlines Group							
Mainline	7,493,209	8,548,734	9,428,550	9,963,481	11,083,740	4,890,936	9,208,296
United Express *(a)*	3,927,764	3,697,343	3,548,333	4,064,288	4,352,712	2,216,312	3,706,371
	11,420,973	12,246,077	12,976,883	14,027,769	15,436,452	7,107,248	12,914,667
Southwest	7,929,104	8,565,381	9,137,172	9,386,197	9,467,075	5,113,869	9,316,932
Frontier	3,360,325	3,567,393	3,501,127	3,696,254	4,176,993	2,354,879	3,225,943
American *(b)*	1,642,359	1,642,277	1,682,943	1,619,744	1,632,621	875,460	1,446,247
Delta	1,333,693	1,489,659	1,635,708	1,728,487	1,837,221	697,259	1,353,532
Other	1,332,475	1,629,417	1,780,178	1,800,766	1,962,592	725,128	1,160,580
	15,597,956	16,894,127	17,737,128	18,231,448	19,076,502	9,766,595	16,503,215
Total	27,018,929	29,140,204	30,714,011	32,259,217	34,512,954	16,873,843	29,417,882

	Percent of Total						
United Airlines Group							
Mainline	27.7%	29.3%	30.7%	30.9%	32.1%	29.0%	31.3%
United Express *(a)*	14.5	12.7	11.6	12.6	12.6	13.1	12.6
	42.3%	42.0%	42.3%	43.5%	44.7%	42.1%	43.9%
Southwest	29.3%	29.4%	29.7%	29.1%	27.4%	30.3%	31.7%
Frontier	12.4	12.2	11.4	11.5	12.1	14.0	11.0
American *(b)*	6.1	5.6	5.5	5.0	4.7	5.2	4.9
Delta	4.9	5.1	5.3	5.4	5.3	4.1	4.6
Other	4.9	5.6	5.8	5.6	5.7	4.3	3.9
	57.7%	58.0%	57.7%	56.5%	55.3%	57.9%	56.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes: Includes enplaned passengers on the airline's commuter affiliates. Columns may not add to totals shown because of rounding.

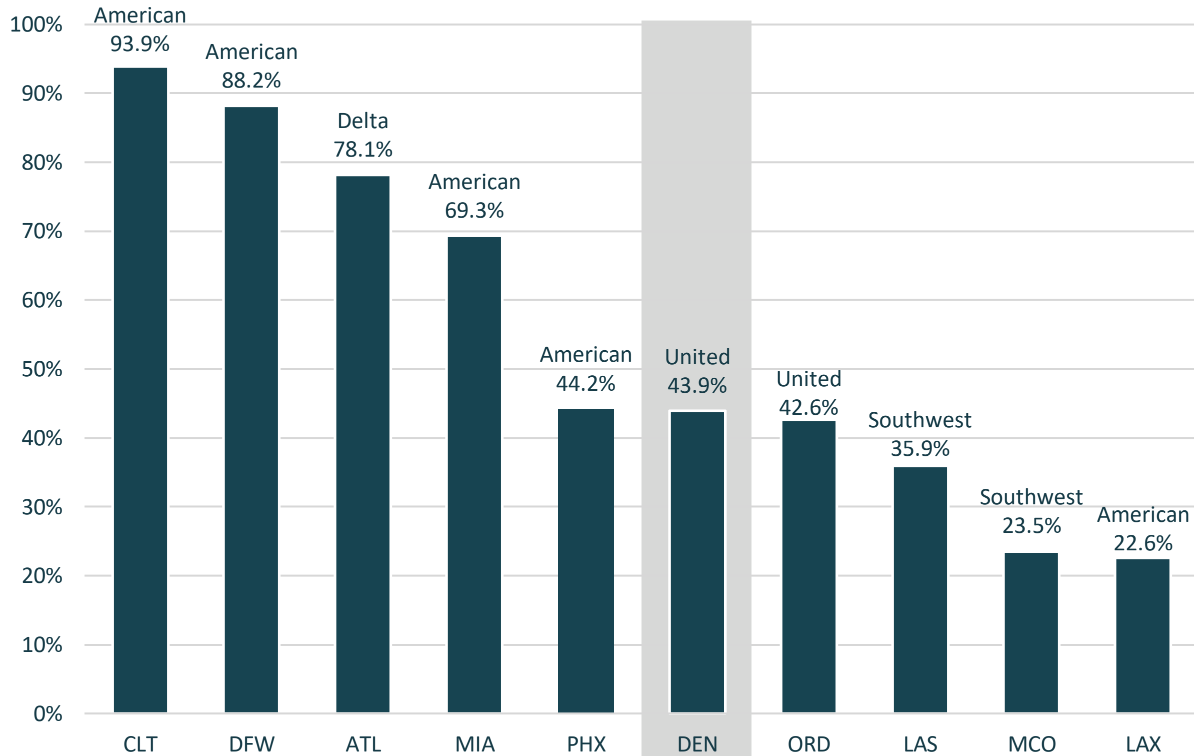
(a) Includes Republic, Skywest Airlines in 2015-2021; ExpressJet, GoJet, Trans States Airlines in 2015-2020; Mesa in 2015-2019; Shuttle America in 2015-2017; Air Wisconsin in 2018-2020; and CommutAir starting 2021.

(b) Includes US Airways, which merged with American in 2015.

Source: Department management records.

Figure 20

SHARE OF ENPLANED PASSENGERS CARRIED BY LARGEST AIRLINE AT THE TOP 10 AIRPORTS IN THE UNITED STATES IN 2021



Note: Share of passengers for Denver is for 2021, all other airports are for 12-months ending September 2021, latest available international data from U.S. DOT.
Sources: Denver—Department management records. All other airports—U.S. Department of Transportation, T-100, accessed March 2022.

Originating Passengers. Table 11 presents numbers of originating passengers and airline market shares at the Airport for 2015 through 2021. Between 2015 and 2019, the number of originating passengers at the Airport increased an average of 6.4% per year.

In 2015, Southwest Airlines and the United Airlines Group enplaned 34.5% and 26.6%, respectively, of originating passengers at the Airport. Since then, Southwest Airlines has held the largest share of originating passengers at the Airport, in every year except 2019.

Table 11
HISTORICAL ORIGINATING PASSENGERS BY AIRLINE
Denver International Airport

	2015	2016	2017	2018	2019	2020	2021
United Airlines Group							
Mainline	3,560,192	3,998,450	4,605,384	5,060,634	5,625,552	2,310,712	4,242,141
United Express *(a)*	1,048,894	1,004,988	1,000,056	1,220,160	1,342,661	606,629	1,016,964
	4,609,086	5,003,438	5,605,440	6,280,803	6,968,213	2,917,341	5,259,105
Southwest	5,993,365	6,293,540	6,598,237	6,810,997	6,861,976	3,340,757	5,790,067
Frontier	2,651,044	2,709,707	2,614,224	2,716,015	3,237,850	1,549,760	2,390,266
American *(b)*	1,642,359	1,640,911	1,682,943	1,619,744	1,632,621	875,460	1,446,247
Delta	1,277,100	1,428,266	1,566,119	1,646,669	1,749,487	662,552	1,353,532
Other	1,180,454	1,451,462	1,588,672	1,672,016	1,809,263	686,219	1,082,490
	12,744,322	13,523,886	14,050,195	14,465,441	15,291,197	7,114,748	12,062,602
Total	17,353,408	18,527,324	19,655,635	20,746,244	22,259,410	10,032,089	17,321,707
United Airlines Group							
Mainline	20.5%	21.6%	23.4%	24.4%	25.3%	23.0%	24.5%
United Express *(a)*	6.0	5.4	5.1	5.9	6.0	6.0	5.9
	26.6%	27.0%	28.5%	30.3%	31.3%	29.1%	30.4%
Southwest	34.5%	34.0%	33.6%	32.8%	30.8%	33.3%	33.4%
Frontier	15.3	14.6	13.3	13.1	14.5	15.4	13.8
American *(b)*	9.5	8.9	8.6	7.8	7.3	8.7	8.3
Delta	7.4	7.7	8.0	7.9	7.9	6.6	7.8
Other	6.8	7.8	8.1	8.1	8.1	6.8	6.2
	73.4%	73.0%	71.5%	69.7%	68.7%	70.9%	69.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes: Includes enplaned passengers on the airlines' commuter affiliates. Columns may not add to totals shown because of rounding.
(a) Includes SkyWest Airlines, GoJet, and Republic in 2015-2018; ExpressJet and Shuttle America in 2015-2017; Trans States Airlines in 2015-2018; and Mesa in 2015.
(b) Includes US Airways, which merged with American Airlines in 2015.
Source: Department management records

Table 12 presents the Airport's top 20 domestic O&D passenger markets for the 12 months ended September 30, 2021. Table 12 also shows the average number of seats on scheduled daily nonstop departures from the Airport to each of the top 20 markets in June 2022. Of the average scheduled daily nonstop seats from the Airport in June 2022, 57.2% were to the top 20 markets listed in the table. The LCC and ULCCs accounted for 42.6% of all scheduled departing seats to domestic destinations from the Airport during this period and more than 60.0% of scheduled departing seats to 10 of the top 20 domestic markets. Atlanta, New York, and Seattle accounted for the smallest shares of LCC and ULCC seats in June 2022, with 24.4%, 25.9%, and 26.7%, respectively.

Table 12
TOP 20 DOMESTIC ORIGIN-DESTINATION PASSENGER MARKETS AND AIRLINE SERVICE
Denver International Airport

Rank	Origin-destination passenger market	Air miles from Denver	Percent of originating passengers at the Airport	Scheduled departing seats August 2021: Average daily seats	Scheduled departing seats August 2021: Percent of LCC/ULCC seats	No. of Carriers Serving Market
1	Los Angeles *(a)*	846	6.1%	6,250	55.3%	5
2	Chicago *(b)*	892	4.3	4,180	42.8	4
3	Dallas/Ft. Worth *(c)*	646	4.2	3,910	46.0	4
4	Phoenix	602	4.1	3,790	56.2	4
5	Houston *(d)*	873	3.8	3,390	47.0	4
6	Las Vegas	628	3.3	3,270	70.4	4
7	Miami *(e)*	1,706	3.2	2,270	57.1	5
8	Washington *(f)*	1,473	3.1	3,260	51.2	3
9	New York *(g)*	1,617	3.1	3,930	25.9	4
10	Orlando	1,546	3.0	1,940	58.1	4
11	San Francisco *(h)*	957	3.0	3,880	43.9	3
12	Atlanta	1,199	2.9	2,580	24.4	4
13	Minneapolis/St. Paul	680	2.7	2,180	32.2	5
14	Seattle	1,024	2.4	2,350	26.7	5
15	San Diego	853	2.2	2,040	54.2	3
16	Austin	775	1.9	1,850	59.4	4
17	Salt Lake City	391	1.8	2,860	45.8	4
18	Tampa	1,506	1.8	1,270	49.4	3
19	Philadelphia	1,567	1.7	1,040	49.0	4
20	Boston	1,754	1.6	1,110	35.1	3
	Cities listed		60.4%	57,350		
	Other cities		39.6%	42,810		
	All cities		100.0%	100,160	42.6%	

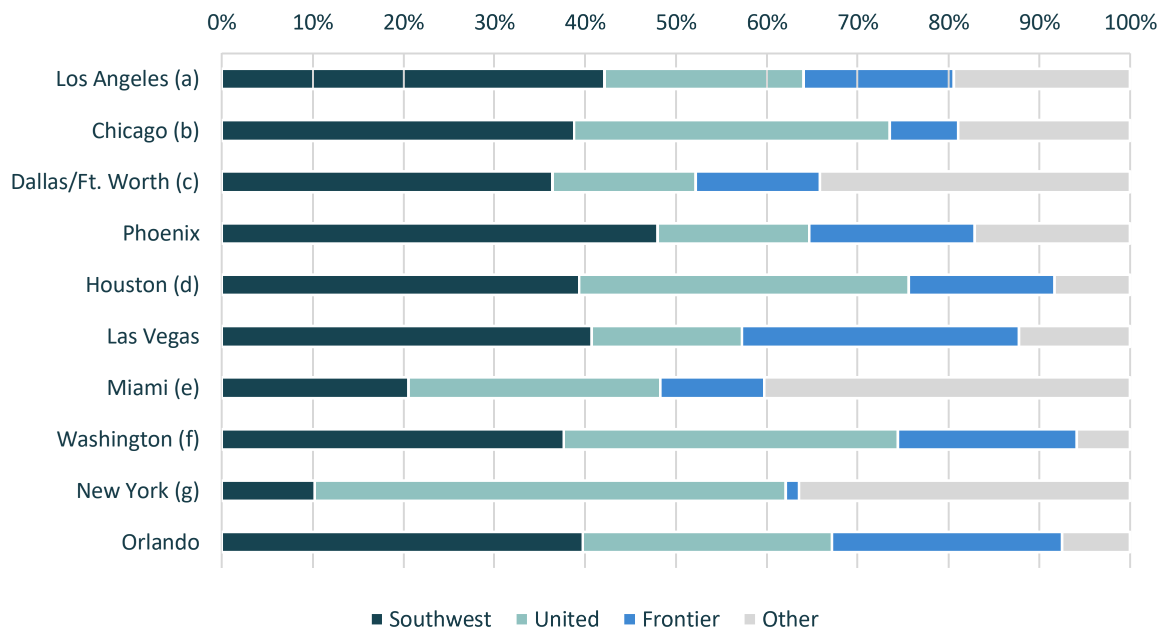
(a) Los Angeles International, Ontario (LA) International, Hollywood Burbank (Bob Hope), John Wayne (Orange County), and Long Beach airports.
(b) Chicago O'Hare and Chicago Midway international airports.
(c) Dallas/Fort Worth International Airport and Dallas Love Field.
(d) Bush Intercontinental Airport/Houston and William P. Hobby international airports.
(e) Fort Lauderdale-Hollywood and Miami international airports.
(f) Washington Dulles, Ronald Reagan Washington National, Baltimore/Washington international airports.
(g) John F. Kennedy, Newark Liberty, and LaGuardia international airports.
(h) San Francisco, Mineta San Jose, and Oakland international airports.
Sources: Originating passenger percentages—U.S. Department of Transportation, O&D survey, accessed March 2022. Departures and seats—OAG schedules, accessed March 2022.

Figure 21 presents the airline shares of originating passengers to the Airport's top 10 O&D markets for the 12 months ended September 30, 2021. Southwest Airlines accounted for the largest share of originating passengers to eight of the Airport's top 10 markets, including Los Angeles, Chicago, Dallas-Ft. Worth, Phoenix, Houston Las Vegas, and Washington/Baltimore, all of which are among Southwest Airlines' 10 busiest markets. United Airlines accounted for the largest share of originating passengers to two of the Airport's top 10 markets, Miami and New York, the latter of which is a major United Airlines connecting hub.

Figure 21

AIRLINE SHARES OF DOMESTIC ORIGINATING PASSENGERS FOR TOP 10 MARKETS FROM DENVER

12 months ending September 30, 2021



Note: Includes regional affiliates.
(a) Los Angeles International, Ontario (LA) International, Hollywood Burbank (Bob Hope), John Wayne (Orange County), and Long Beach airports.
(b) Chicago O'Hare and Chicago Midway international airports.
(c) Dallas/Fort Worth International Airport and Dallas Love Field.
(d) Bush Intercontinental Airport/Houston and William P. Hobby international airports.
(e) Fort Lauderdale-Hollywood and Miami international airports.
(f) Washington Dulles, Ronald Reagan Washington National, and Baltimore/Washington Thurgood Marshall international airports.
(g) John F. Kennedy, Newark Liberty, and LaGuardia international airports.
Source: U.S. Department of Transportation, O&D survey, accessed March 2022.

New International Markets

International passengers, while still a relatively small share of the total Airport traffic prior to the COVID-19 pandemic, (4.6% of total enplaned passengers in 2019), are growing faster than domestic passengers and becoming an increasingly important passenger segment of the market. Between 2015 and 2019, international enplaned passengers at the Airport grew by 7.1% per year, compared to 5.1% average annual growth for domestic passengers over the same period. Growth in the number of international enplaned passengers should continue as new aircraft technology makes smaller international markets such as Denver economically viable for airlines.

As shown in Table 13, several new international routes are planned in 2022 as international traffic continues to recover across the nation, including United Airlines service to Munich which began in April 2022 and Southwest Airlines to Cozumel (Mexico) in March 2022. During 2021, four new international nonstop services commenced: United Airlines to Roatan (Honduras) in December 2021, Southwest Airlines to Liberia (Costa Rica) in November 2021, Frontier to Belize City in December 2021, and Air France to Paris de Gaulle in July 2021.

Table 13
NEW INTERNATIONAL SERVICE AT DENVER INTERNATIONAL AIRPORT
2018 through June 30, 2022

Airline	Destination	Service Launch	Airline	Destination	Service Launch
United	Belize City	Dec 2020	Air France	Paris de Gaulle	Jul 2021
	Frankfurt	May 2019	Norwegian Air	London Gatwick	Mar 2018
	London Heathrow	Mar 2018		Paris de Gaulle	Apr 2018
	Munich	Apr 2022	Cayman Airways	Grand Cayman	Mar 2019
	Nassau	Mar 2020	Sun Country	Mazatlan	Jan 2018
	Roatan	Dec 2021	Edelweiss	Zurich	Jun 2018
Southwest	Cozumel	Mar 2022	WestJet	Calgary	Mar 2018
	Liberia	Nov 2021			
Frontier	Belize City	Dec 2021			
	Calgary	May 2018			

Note: Advance OAG Schedules used for January 1, 2018, through June 30, 2022.
Source: OAG, online database, accessed March 2022.

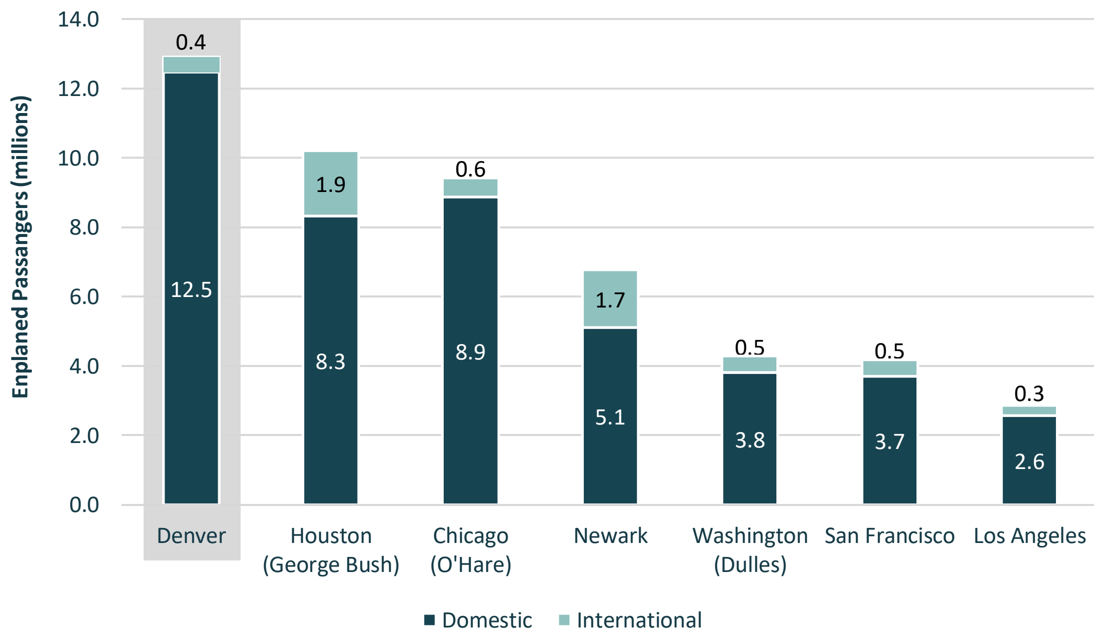
The Airport's Role in the United Airlines Group System

The United Airlines Group has been the busiest carrier at Denver in terms of enplaned passengers for more than 25 years. The airline utilizes the Airport as a key connecting hub within its network, together with airports in Chicago (O'Hare), Houston (George Bush), Newark, San Francisco, Washington (Dulles), and Los Angeles. Geographically, Denver represents an important hub in United Airlines' network, helping to facilitate east-west domestic traffic flows, facilitating connections for customers in the Great Plains and Mountain regions, and serves as a centrally located international gateway for partners in the Star Alliance, of which United Airlines is a founding member.

As shown on Figure 22, the Airport is the largest airport in the United Airlines Group's system based on total enplaned passengers, even though it serves a smaller metropolitan area population than any of the other United Airlines Group connecting hub airports. George Bush Intercontinental Airport (Houston) accounts for the second largest share of enplaned passengers in the route system of the United Airlines Group, followed by Chicago O'Hare and Newark Liberty international airports.

In terms of domestic enplaned passengers, the Airport is the largest airport in United Airlines' system. The number of passengers enplaned by the United Airlines Group at its hub airports is a function of many factors, including local population and travel demand, geographic location, competitive factors, and airline strategy.

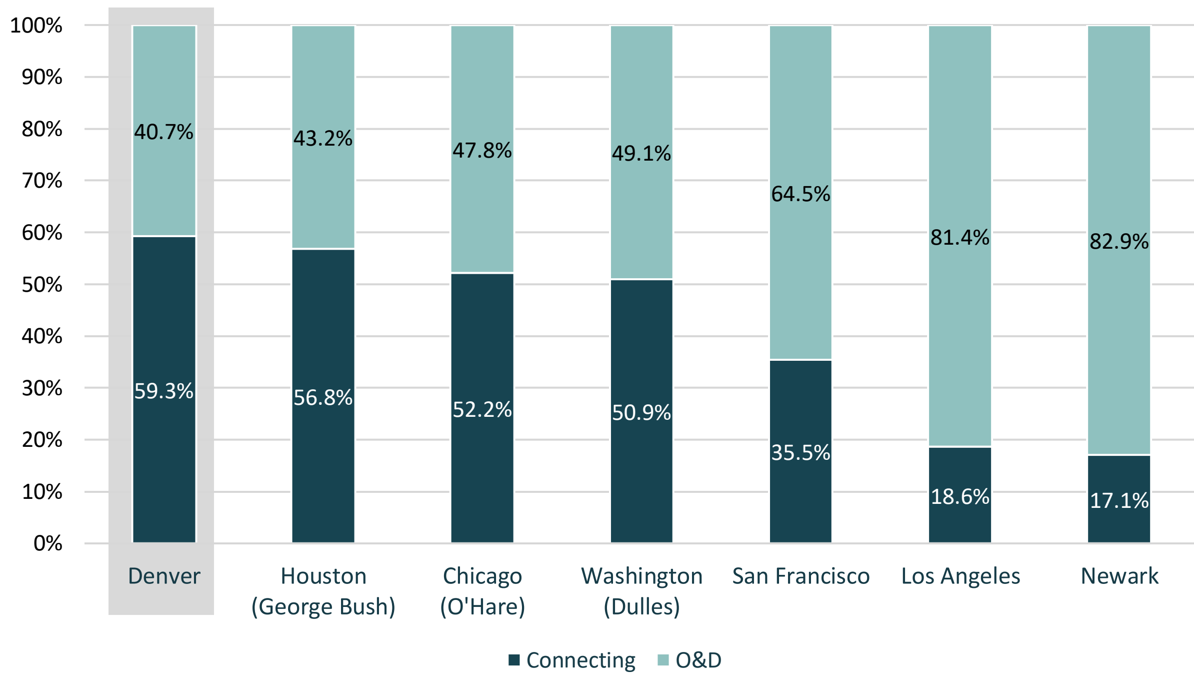
Figure 22
UNITED AIRLINES GROUP ENPLANED PASSENGERS BY AIRPORT
2021



Notes: Denver—2021. All other airports—12-months ending September 2021, latest available international T-100 data.
Sources: Denver—Department management records. Other airports—U.S. Department of Transportation, T-100, accessed March 2022.

The United Airlines Group's busiest airports accommodate a wide range of O&D and connecting passengers, reflecting differing levels of local travel demand, geographic location, and other factors, as shown on Figure 23. The Airport has the highest percentage of connecting passengers among United Airlines' major airports, ahead of George-Bush (Houston) International Airport and Chicago O'Hare International Airport. Los Angeles International Airport and Newark Liberty International Airport have the lowest percentages of United connecting passengers.

Figure 23
ORIGIN-DESTINATION AND CONNECTING PASSENGERS AT UNITED AIRLINES' HUBS
2021



Notes: Denver—2021. All other airports—12-months ending September 2021, latest available data.
Sources: Denver—Department management records. All other airports—U.S. Department of Transportation, DB1B database and T-100 reports, accessed March 2022.

Table 14 presents the numbers of passengers enplaned by the United Airlines Group at the Airport in 2000, 2005, and annually from 2010-2021. Between 2000 and 2010, the United Airlines Group's number of enplaned passengers at the Airport decreased by 1.4% per year, which period included the 2001 terrorist attacks and the national economic downturn in 2002, as well as the 2008-2009 recession. Between 2011 and 2019, the number of passengers that the United Airlines Group enplaned at the Airport increased an average of 3.9% per year. In 2020, passengers enplaned by the United Airlines Group decreased 53.9% as a result of travel and other restrictions due to the COVID-19 pandemic. Between 2020 and 2021, as passenger traffic began to recover, the number of passengers enplaned by the United Airlines Group increased by 81.7% to 12.9 million enplaned passengers, equal to 83.7% of pre-COVID-19 pandemic levels.

Table 14

HISTORICAL ENPLANED PASSENGERS—UNITED AIRLINES GROUP

Denver International Airport

Year	Originating passengers	Connecting passengers	Enplaned passengers	Connecting percent of total
2000	5,764,370	7,927,421	13,691,791	57.9%
2005	5,355,043	7,420,191	12,775,234	58.1
2010	4,621,411	7,461,902	12,083,313	61.8
2011	4,486,789	6,862,674	11,349,463	60.5
2012	4,303,160	6,456,916	10,760,076	60.0
2013	4,376,389	6,282,797	10,659,186	58.9
2014	4,383,939	6,476,469	10,860,408	59.6
2015	4,609,086	6,811,887	11,420,973	59.6
2016	5,003,438	7,242,639	12,246,077	59.1
2017	5,605,440	7,371,443	12,976,883	56.8
2018	6,280,803	7,746,966	14,027,769	55.2
2019	6,968,213	8,468,239	15,436,452	54.9
2020	2,917,341	4,189,907	7,107,248	59.0
2021	5,259,105	7,655,562	12,914,667	59.3
	Annual percent increase (decrease)			
2010-2011	(2.9%)	(8.0%)	(6.1%)	
2011-2012	(4.1)	(5.9)	(5.2)	
2012-2013	1.7	(2.7)	(0.9)	
2013-2014	0.2	3.1	1.9	
2014-2015	5.1	5.2	5.2	
2015-2016	8.6	6.3	7.2	
2016-2017	12.0	1.8	6.0	
2017-2018	12.0	5.1	8.1	
2018-2019	10.9	9.3	10.0	
2019-2020	(58.1)	(50.5)	(54.0)	
2020-2021	80.3	82.7	81.7	
	Average annual percent increase (decrease)			
2000-2005	(2.0%)	(1.3%)	(1.4%)	
2005-2010	(1.5)	(0.9)	(1.1)	
2015-2021	(1.0)	2.0	0.1	
2019-2021	(13.1)	(4.9)	(8.5)	
2000-2021	(0.6)	(0.2)	(0.3)	

Notes: Includes mainline and regional airline affiliate activity. Data for United Airlines includes Continental.

Source: Department management records.

The United Airlines Group has expanded its network through alliances and code-sharing agreements. United Airlines is a member of the Star Alliance, which includes 25 airlines throughout the world. In addition to United Airlines, other Star Alliance members that serve the Airport are Air Canada, Lufthansa German Airlines, and Copa Airlines, with whom United Airlines also has additional partnership agreements.

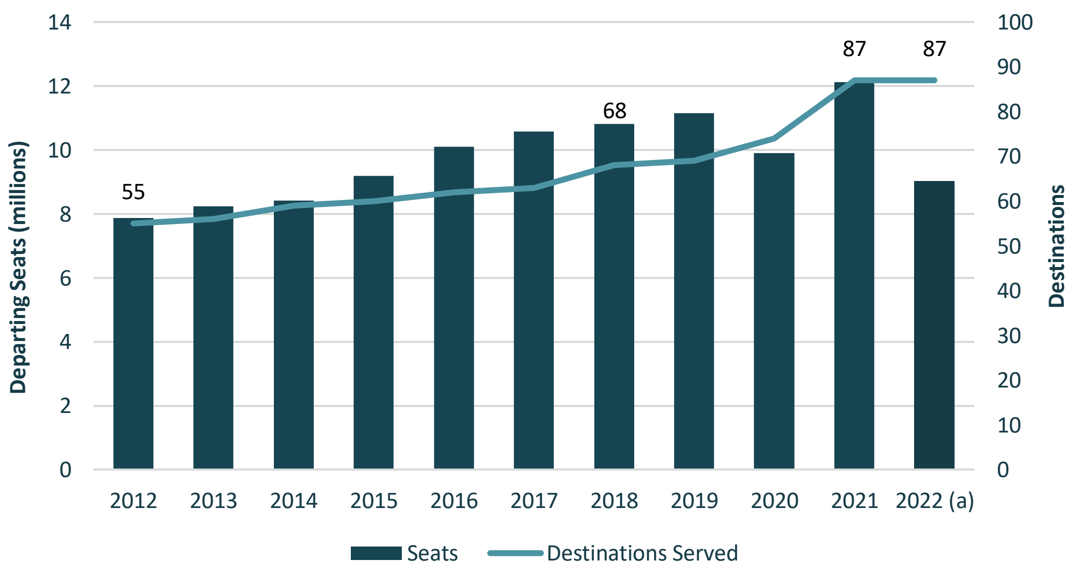
The Airport's Role in Southwest Airlines' System

Since January 2006, when Southwest Airlines re-established service in Denver, the airline has rapidly grown its service, both in terms of the number of scheduled departing seats and number of markets served. As shown on Figure 24, Southwest Airlines served 55 destinations from Denver in 2012, 68 cities in 2018, 87 in 2021, and plans to operate service to 87 destinations in 2022.

In 2012, Southwest Airlines became the second busiest airline at the Airport with 6.3 million enplaned passengers compared with 5.8 million enplaned passengers on Frontier Airlines. Since 2013, Southwest Airlines has been the Airport's busiest airline in terms of originating passengers in every year except 2019, increasing its originating passenger share from 30.2% in 2013 to 33.4% in 2021.

In 2022, Southwest Airline will serve 87 cities from the Airport, including three year-round international destinations (Cozumel, Montego Bay, and Cabo San Lucas).

Figure 24
SOUTHWEST AIRLINES SCHEDULED DEPARTING SEATS AND NUMBER OF MARKETS SERVED
Denver International Airport



(a) Scheduled departing seats and number of markets serviced based on schedules through September 2022.

Source: OAG, online database, accessed May 2022.

Table 15 presents enplaned passenger trends for Southwest Airlines at the Airport from 2010 through 2021.

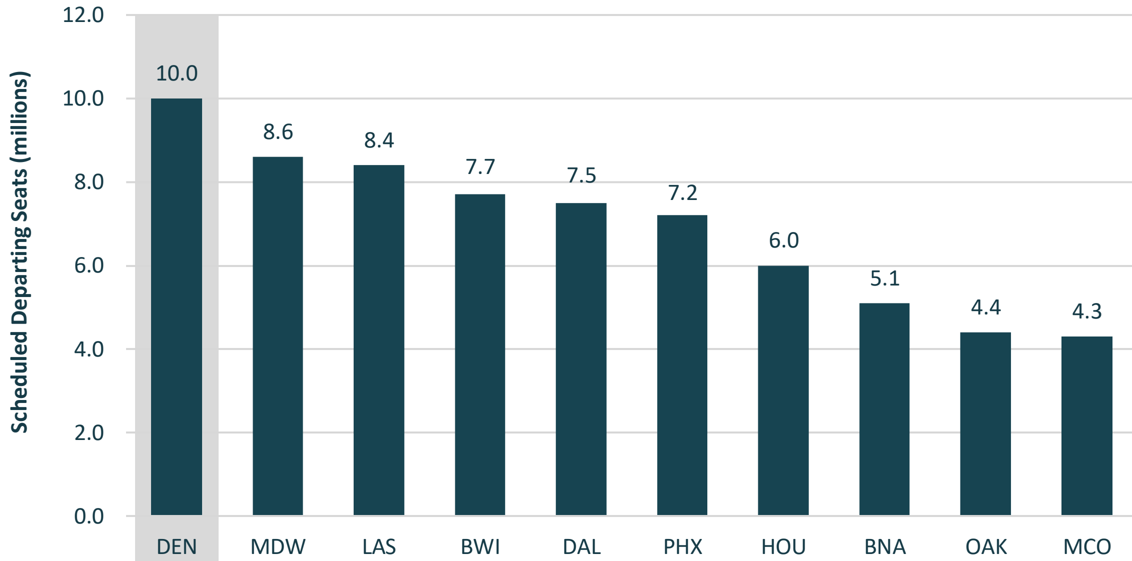
Table 15
HISTORICAL ENPLANED PASSENGERS—SOUTHWEST AIRLINES
Denver International Airport

Year	Originating passengers	Connecting passengers	Enplaned passengers	Percent connecting
2010	3,558,198	1,350,341	4,908,539	27.5%
2011	4,055,850	1,700,231	5,756,081	29.5
2012	4,302,165	1,999,001	6,301,166	31.7
2013	4,635,891	2,085,235	6,721,126	31.0
2014	5,092,923	1,971,910	7,064,833	27.9
2015	5,993,365	1,935,739	7,929,104	24.4
2016	6,293,540	2,271,841	8,565,381	26.5
2017	6,598,237	2,538,935	9,137,172	27.8
2018	6,810,997	2,575,200	9,386,197	27.4
2019	6,681,976	2,605,099	9,467,075	27.5
2020	3,340,757	1,773,112	5,113,869	34.7
2021	5,790,067	3,526,855	9,316,922	37.9
	Annual percent increase (decrease)			
2010-2011	14.0%	25.9%	17.3%	
2011-2012	6.1	17.6	9.5	
2012-2013	7.8	4.3	6.7	
2013-2014	9.9	(5.4)	5.1	
2014-2015	17.7	(1.8)	12.2	
2015-2016	5.0	17.4	8.0	
2016-2017	4.8	11.8	6.7	
2017-2018	3.2	1.4	2.7	
2018-2019	0.7	1.2	0.9	
2019-2020	(51.3)	(31.9)	(46.0)	
2020-2021	73.3	98.9	82.2	
	Average annual percent increase			
2010-2019	7.6%	7.6%	7.6%	
2019-2021	(8.1)	16.4	(0.8)	

Note: Includes data for AirTran Airways in 2010-2014.
Source: Department management records.

As shown on Figure 25, the Airport is the busiest airport in Southwest Airlines' route system in 2022, increasing from the fourth busiest from 2014 through 2018, and the second busiest in 2019.

Figure 25
SCHEDULED DEPARTING SEATS FOR THE 10 BUSIEST AIRPORTS IN THE SOUTHWEST SYSTEM IN 2022



DEN = Denver International
MDW = Chicago Midway
LAS = Harry Reid (Las Vegas) International
BWI = Baltimore/Washington International
DAL = Dallas Love Field
PHX = Phoenix Sky Harbor International
HOU = Houston Hobby International
BNA= Nashville International
OAK = Oakland International
MCO = Orlando International

Source: OAG, online database, scheduled departing seats through September 2022, accessed May 2022.

Southwest Airlines' strong and continued recovery and growth in scheduled service at the Airport is shown on Figure 25. Southwest Airlines' number of scheduled departing seats at the Airport have surpassed 2019 levels by 21.1%, whereas its system-wide capacity over the same period is 0.9% below.

The Airport's Role in Frontier Airlines' System

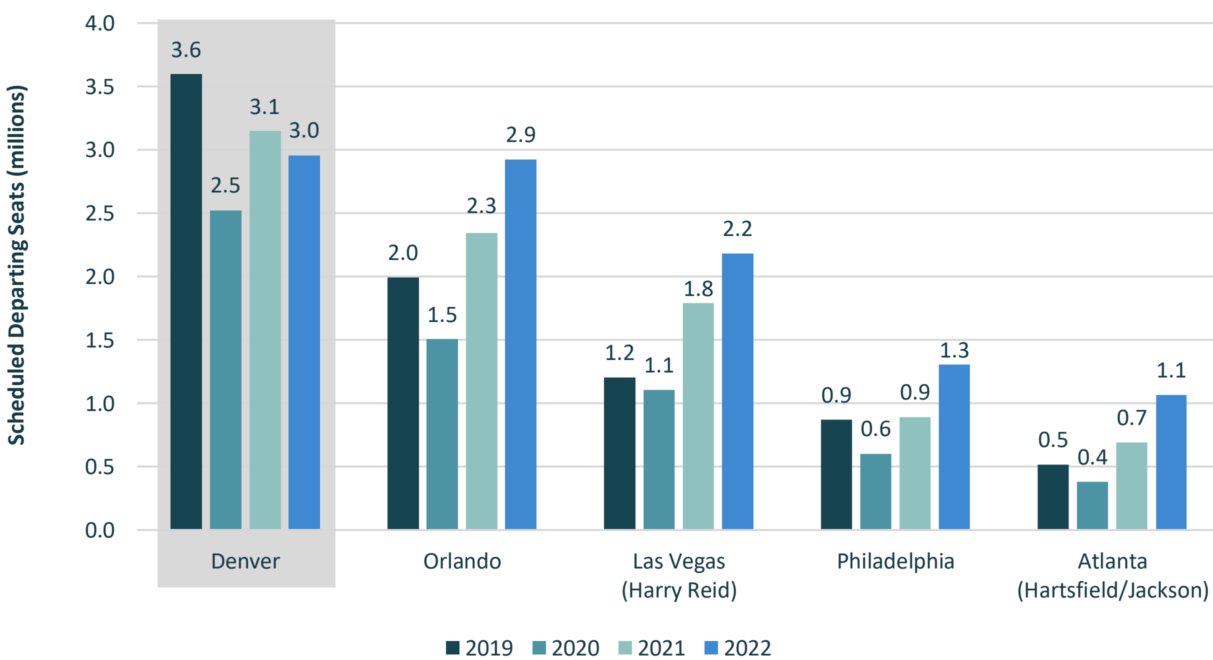
Frontier Airlines accounted for 11% of enplaned passengers at the Airport in 2021, and the Airport was the busiest airport in Frontier Airlines' system in 2021 in terms of enplaned passengers.

Frontier Airlines was acquired by Republic Airways Holdings in 2009 and was subsequently merged with Midway Airlines, but the Frontier Airlines brand was maintained. In 2013, Frontier Airlines was acquired by the private equity firm Indigo Partners and shifted to an ultra-low-cost airline business model. Since then, it has decentralized its route network and started to move away from a single hub-and-spoke system at the Airport toward service at select focus cities including Orlando, Las Vegas, and Philadelphia. As a result, the Airport has seen significant fluctuations in Frontier Airline service since 2014. In June 2014, Frontier Airlines served Denver with 70 destinations and over 116,000 departing seats per week. One year later, Frontier Airlines reduced service to 46 destinations and reduced weekly seats by more than 40% to approximately 67,000 departing seats.

Beginning in 2017, Frontier Airlines showed a renewed interest in the Denver market when the airline announced a major expansion at the Airport. While still below 2014 levels, year-over-year scheduled departing seats at Denver increased more than 10% in 2018, 15% in 2019, and 19% in 2021. The effects of the COVID-19 pandemic decreased scheduled departing seats by 28%, including 13 removed routes and one added destination according to Frontier Airlines' advanced published schedules at the Airport in 2022. Frontier Airlines' departing seat recovery at the Airport is 17.7% below 2019 levels, behind recovery rates of its other principal market airports like Orlando and Las Vegas which have exceeded pre-pandemic levels by more than 150%. During the COVID-19 pandemic, those markets were attractive domestic leisure destinations where ULCCs such as Frontier operated new point-to-point services.

The Airport continues to be the busiest airport in Frontier Airlines' system in terms of scheduled departing seats, followed by Orlando International Airport, Harry Reid (Las Vegas) International Airport, Philadelphia International Airport, and Hartsfield-Jackson Atlanta International Airport as shown on Figure 26.

Figure 26
SCHEDULED DEPARTING SEATS IN FRONTIER SYSTEM



Note: Total departing seats for January-September in each year.
Source: OAG, online database, accessed May 2022.

Table 16 presents the numbers of passengers enplaned by Frontier Airlines and its regional affiliates at the Airport, including connecting passengers. Between 2000 and 2011, the number of Frontier Airlines' enplaned passengers at the Airport increased more than threefold, with the airlines' share of connecting passengers increasing from 21.8% in 2000 to 50.0% in 2011, reflecting the growth of its hub operation at the Airport.

In 2009 and 2010, the number of passengers enplaned by Frontier Airlines at the Airport decreased 11.7% and 3.9%, respectively, reflecting dampened demand for airline travel related to the national economic recession and reductions in the number of scheduled departing seats initiated by Frontier Airlines in the last quarter of 2008.

From 2011-2015, enplaned passengers decreased at an average annual rate of 13.1% and connecting passengers decreased 29.9% as Frontier Airlines decentralized its network away from the Airport. Between 2015 and 2019, Frontier Airlines' enplaned passengers increased at an average rate of 5.6% per year, increasing connecting passengers increased at an average rate of 7.6% per year. In 2021, Frontier Airlines 3.2 million enplaned passengers were 23% lower than its 2019 enplanement levels of 4.2 million.

On February 7, 2022, Frontier Airlines and Spirit Airlines announced a merger agreement under which the companies would combine, creating the largest ULLC airline and fifth largest U.S. airline. The combined market share of Frontier Airlines and Spirit Airlines at the Airport was 14.2% in 2019 and 12.2% in 2021. As of the date of this 2022 Report, Frontier Airlines and Spirit Airlines provide the same service at the Airport to four (4) destinations and the merger would have a minimal impact (if any) to the traffic forecast.

On April 5, 2022, JetBlue Airways submitted a proposal to the Board of Directors of Spirit Airlines to acquire Spirit Airlines for $3.6 billion. On May 2, 2022, Spirit Airlines' Board of Directors rejected JetBlue Airways' proposal and is moving forward with the merger agreement with Frontier Airlines. On May 16,2022, JetBlue Airways launched a hostile takeover bid for Spirit Airlines by filing "Vote No" proxy statement for Spirit Airlines' special meeting of stockholders on June 10, 2022 and offering to acquire Spirit Airlines for $30 per share in cash. The special meeting of the stockholders was delayed until June 30, 2022 after revised proposals from both Frontier Airlines and JetBlue Airways were received prior to the June 10, 2022 vote.

The proposed merger will require regulatory approval from the Department of Transportation and the Department of Justice.

Table 16

HISTORICAL ENPLANED PASSENGERS—FRONTIER AIRLINES

Denver International Airport

Year	Originating passengers	Connecting passengers	Enplaned passengers	Connecting percent of total
2000	1,223,140	340,605	1,563,745	21.8%
2005	2,346,521	1,939,431	4,285,952	45.3
2010	2,817,267	2,777,930	5,595,197	49.6
2011	2,944,251	2,945,381	5,889,632	50.0
2012	2,818,547	3,007,170	5,825,717	51.6
2013	2,760,383	2,255,304	5,015,687	45.0
2014	3,087,655	1,844,477	4,932,132	37.4
2015	2,651,044	709,281	3,360,325	21.1
2016	2,709,707	857,686	3,567,393	24.0
2017	2,614,224	886,903	3,501,127	25.3
2018	2,716,015	980,239	3,696,254	26.5
2019	3,237,850	939,143	4,176,993	22.5
2020	1,549,760	805,119	2,354,879	34.2
2021	2,390,266	835,668	3,225,934	25.9
	Annual percent increase (decrease)			
2010-2011	4.5%	6.0%	5.3%	
2011-2012	(4.3)	2.1	(1.1)	
2012-2013	(2.1)	(25.0)	(13.9)	
2013-2014	11.9	(18.2)	(1.7)	
2014-2015	(14.1)	(61.5)	(31.9)	
2015-2016	2.2	20.9	6.2	
2016-2017	(3.5)	3.4	(1.9)	
2017-2018	3.9	10.5	5.6	
2018-2019	19.2	(4.2)	13.0	
2019-2020	(52.1)	(14.3)	(43.6)	
2020-2021	54.2	3.8	37.0	
	Annual percent increase (decrease)			
2000-2005	13.9%	41.6%	22.3%	
2005-2015	2.1	(9.6)	(2.4)	
2015-2021	(1.7)	2.8	(0.7)	
2000-2021	3.2	4.4	(3.5)	

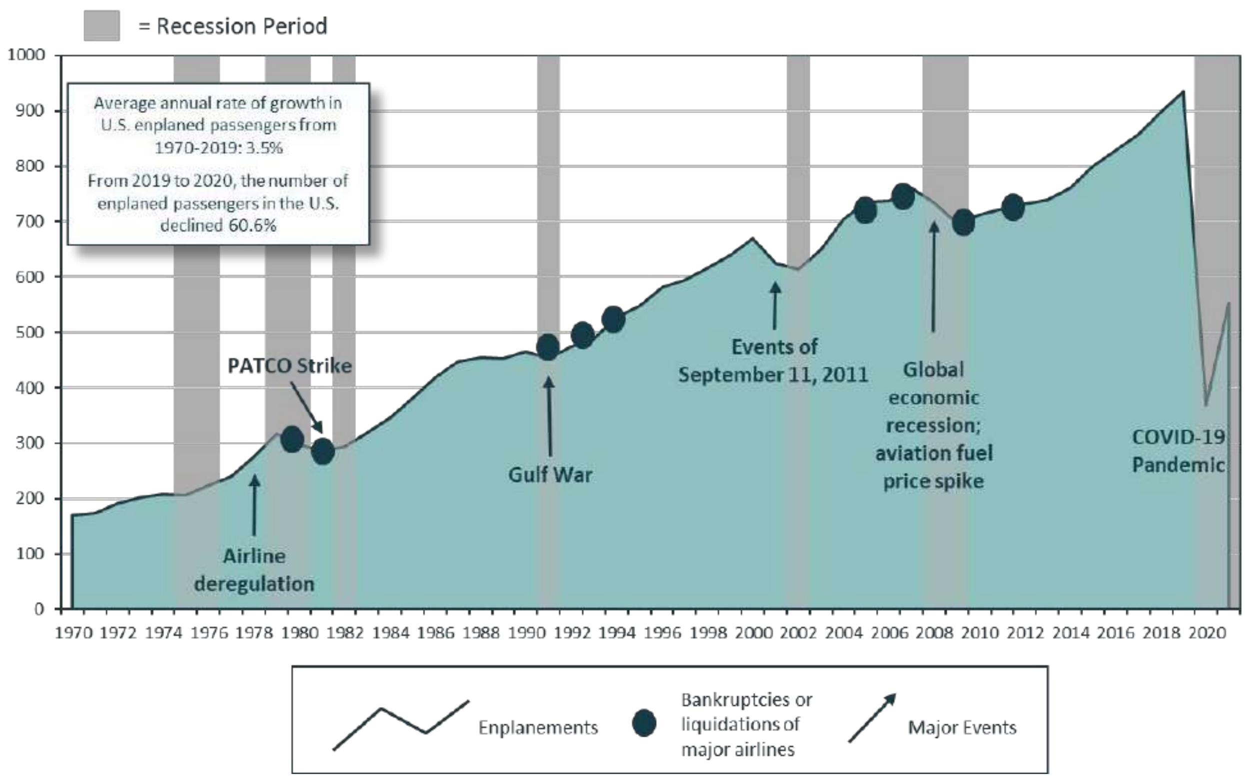
Note: Includes data for Frontier's regional affiliates and Midwest Airlines.
Source: Department management records.

KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. As shown on Figure 27, recessions in the U.S. economy in 2001 and 2008-2009 contributed to a reduction in airline travel in those years, likely as a result of high unemployment and reduced discretionary income. However, the aviation industry has recovered from prior recessions and passenger traffic has increased. From 1970 through 2020, the total numbers of domestic and international enplaned passengers in the United States increased an average of 3.5% per year. From 2019 to 2020, the total number of passenger traffic in the United States decreased by 61.8% as the result of the negative effects on air travel from the COVID-19 pandemic, which was the largest single year decrease in passenger traffic from 1970 through 2020.

The Airport has consistently rebounded from external events and periods of weak demand in aviation activity. After the events of September 11, 2001, similar to other airports across the United States, the Airport was affected by significant seat capacity reductions associated with airline bankruptcy reorganizations and sharply rising fuel prices. The global recession in 2008 and 2009 also resulted in declining airline travel demand and reduced traffic.

Figure 27
TOTAL UNITED STATES ENPLANED PASSENGERS



Note: PATCO = Professional Air Traffic Controllers Organization.
Source: Airlines for America (formerly Air Transport Association of America) through 1997; thereafter, U.S. Department of Transportation Bureau of Transportation Statistics.

The number of enplaned passengers at the Airport in each year between 2010 and 2019 exceeded the number of enplaned passengers at the Airport during the recession in 2008 and 2009, in part as a result of a strong O&D market and continued growth in numbers of domestic and international passengers.

As a result of the COVID-19 pandemic starting in March 2020, significant decreases in aviation activity and seat capacity occurred at the Airport, in the United States, and globally as a result of, among other reasons, widespread travel restrictions, border closures, quarantines, and concerns regarding the exposure to and transmission of COVID-19. From 2019 to 2020, the number of enplaned passengers at the Airport decreased by 51.1% as compared to 61.8% for the nation.

In December 2020, vaccines to protect against COVID-19 became available and vaccinations against COVID-19 started to occur. As of March 2022, the rate of full vaccination was approximately 65.0% in the United States[19] and 58.1% worldwide.[20] As a result of the availability of COVID-19 vaccines and loosening travel restrictions, air travel at the Airport and the United States increased in 2021 as compared to 2020 by 74.3% and 80.0%, respectively.

The major factors that continue to affect the airline industry and that are expected to influence airline service and traffic levels at the Airport during the Forecast Period are discussed below.

Airline Bankruptcies, Consolidation, and Alliances

Since the terrorist attacks of September 11, 2001, American Airlines, Delta Air Lines, Southwest Airlines and United Airlines have transformed their business models through a combination of bankruptcy, mergers, and the formation of new or strengthening alliances with domestic and global airlines. The domestic airline industry, which included the addition of two new airlines in 2021, will continue to evolve as it emerges from the negative effects of the COVID-19 pandemic through, potentially, higher airfares, limited domestic seat capacity growth, or by focusing on premium business and leisure passengers to generate more revenue.

U.S. Airline Bankruptcies and Consolidation. The events of September 11, 2001, and the difficult operating conditions caused by high fuel prices and a global recession led to a number of airline bankruptcies and mergers over the past two decades. Between 2002 and 2011, all of the major U.S. network airlines (US Airways, United Airlines, Northwest Airlines, Delta Air Lines, and American Airlines) filed for Chapter 11 bankruptcy protection to reorganize and lower operating costs.

The U.S. airline industry has been moving toward consolidation, with many high-profile mergers and acquisitions. Mergers among the U.S. network airlines have included: Delta Air Lines and Northwest Airlines (October 2008), United Airlines and Continental Airlines (August 2010), and American Airlines and US Airways (December 2013). Other mergers included Frontier Airlines and regional airline Midwest Airlines in April 2010, Southwest Airlines and AirTran Airways in April 2011, and Alaska Airlines and Virgin America (December 2016). As discussed earlier in this

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[19] Mayo Clinic Coronavirus Vaccine Tracker, accessed on March 29, 2022.
[20] Data accessed on March 29, 2022, www.google.com.

2022 Report, Spirit Airlines is reviewing proposals to merge with either Frontier Airlines or JetBlue Airways, pending stockholder and regulatory approval.

As a result of airline mergers, seat capacity has become more concentrated among fewer airlines. However, given the Airport's diverse air service market, strong O&D market, and role as a connecting hub for United Airlines, Southwest Airlines, and Frontier Airlines, any future U.S. airline consolidation caused by bankruptcies or mergers is not anticipated to have a detrimental long-term effect on airline service at the Airport.

Airline Alliances. Airlines worldwide have sought to increase revenues, share costs, and expand the reach of their route networks by developing international partnerships through multilateral alliances or joint ventures. The busiest airline alliance at the Airport is the Star Alliance, which accounted for approximately 45.6% of total enplaned passengers at the Airport in 2019 (prior to the COVID-19 pandemic), which amount decreased to 44.2% in 2021. In recent years, antitrust immunity has been granted to a number of joint ventures within the global alliances, allowing airlines to more closely coordinate operations, including pricing, and increase cost savings in international markets.

In February 2021, American Airlines (the fourth busiest airline at the Airport as measured by the number of enplaned passengers in 2021) and JetBlue Airways received regulatory approval for and started a new Northeast-focused alliance whereby JetBlue is flying certain domestic routes previously flown by American Airlines and each airline is providing passengers with reciprocal mileage earning benefits.

In March 2021, Alaska Airlines joined the oneworld alliance with American Airlines and, similar to the JetBlue Airways and American Airlines Northeast-focused alliance, passengers on Alaska Airlines will have reciprocal mileage earning benefits with American and oneworld partners.

Airline Capacity Discipline

A new focus on capacity discipline among U.S. airlines emerged from the 2008-2009 national recession and financial crises as the network airlines and the LCC airlines substantially reduced seat capacity and withdrew service from less profitable and low passenger demand markets. Large-hub airports, such as the Airport, have experienced fewer decreases in seat capacity as compared to smaller regional markets across the United States, which have lost commercial service as a result. Airline emphasis has shifted from increasing market share to managing supply-and-demand on specific routes. Airlines are expected to maintain capacity discipline in the near term, emphasizing slower capacity growth and the use of right-sized aircraft to serve their markets.

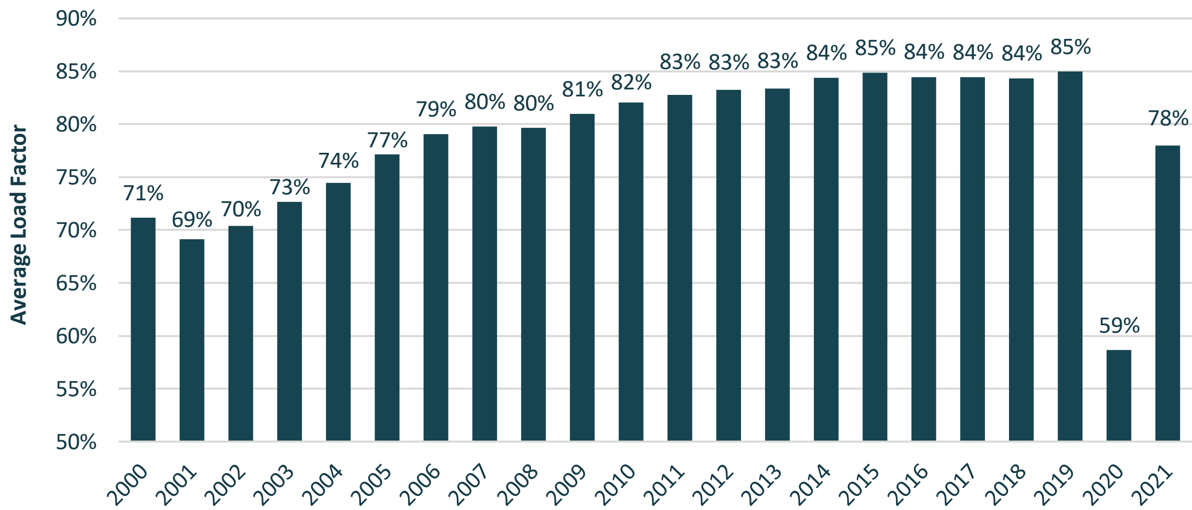
Seat capacity reductions in the U.S. in 2008 and 2009, as well as the current airlines' emphasis on seat capacity control, have resulted in an all-time high in passenger load factors. Figure 28 shows the upward trend in U.S. domestic airline aircraft load factors since 2000. The average domestic airline aircraft load factor was approximately 71% in 2000. The decrease in the average load factor in 2001 occurred as passenger traffic decreased faster than the airlines could adjust to the effects of September 11, 2001, by reducing capacity. Following 2001, load factors in the United States rose steadily to approximately 85% in 2015 and remained between

84% and 85% through 2019. From 2012 through 2019, the average domestic load factors at the Airport were slightly higher than the national averages for the same years.

Seat capacity reductions in the U.S. in 2020 occurred as a result of the economic closures, travel restrictions, border closures, and public health concerns associated with the COVID-19 pandemic. The load factor for the U.S. dropped to 59% in 2020, the lowest level in the past 20 years. However, load factors in 2021 recovered to approximately 78%.

Figure 28

HISTORICAL DOMESTIC AIRLINE SERVICE AIRCRAFT LOAD FACTORS IN THE UNITED STATES



Note: Includes scheduled airline service only.
Sources: U.S. Department of Transportation, T100 Onboard Data.

Low/Ultra-Low-Cost Airline Growth

In the early 2000s, U.S.-flag LCC airlines expanded rapidly and increased their market shares of passenger traffic in the U.S. The LCC and ULCC airlines, (collectively the LCC/ULCC airlines) including Allegiant Air, Frontier Airlines, JetBlue Airways, Southwest Airlines, Spirit Airlines popularized the no frills, low-cost business model. As shown on Figure 29, LCC/ULCC Airlines provided approximately 22.0% of U.S. domestic seat capacity in 2000. By 2021, Low/Ultra-Low-Cost Airlines accounted for approximately 34.2% of overall U.S. domestic seat capacity.

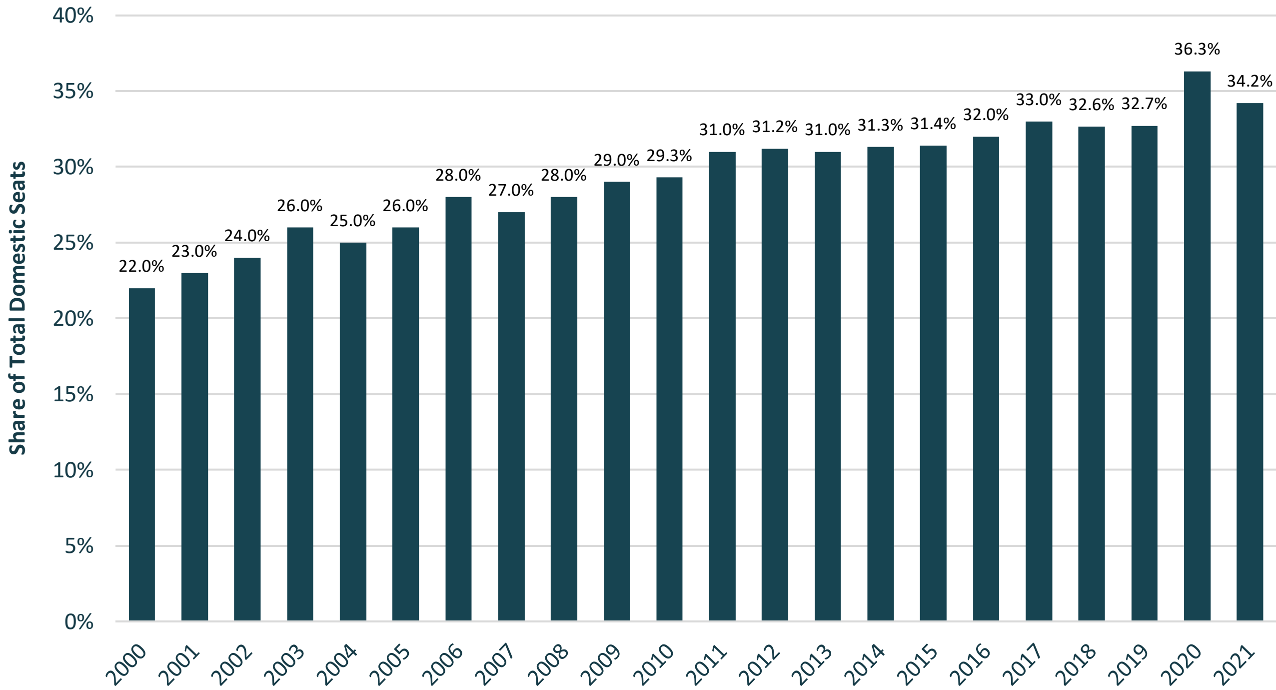
While rising fuel prices and the economic downturn forced network airlines to reduce domestic seat capacity and focus on more profitable international routes, the LCC/ULCC Airlines increased their domestic market shares of passengers. Between 2003 and 2009, the LCC/ULCC airlines added approximately 84 billion domestic seat miles to their route systems. In comparison, American Airlines, Delta Air Lines, and United Airlines experienced a 20% average reduction in mainline domestic seat capacity over the same period, for a combined reduction of 85 billion domestic seat miles.

A similar shift occurred since March 2020 when the negative effects of the COVID-19 pandemic started to occur where LCC/ULCC airlines such as Southwest Airlines, JetBlue Airways and

Allegiant Air expanded service in their route systems while American Airlines, Delta Air Lines, and United Airlines reduced their overall seat capacity. From 2019 to 2020, LCC/ULCC airlines reduced total seat capacity by 31%, while network airlines such as American Airlines, Delta Air Lines, and United Airlines reduced total seat capacity by 41%.

Figure 29

LOW-COST AIRLINE SHARES OF TOTAL DOMESTIC AIRLINE AIRCRAFT SEATS IN THE UNITED STATES



Sources: Official Airline Guides schedules; Innovata schedules.

The rapid growth of the LCC/ULCC airlines over the past decade was helped by the lower unit cost advantage they maintained over the network airlines, as a result of differences in network structure, overhead cost, and crew seniority. In recent years, there have been fewer distinctions between the low-cost airlines and the network airlines. The lowering of the network airline cost structures and consolidation of airline networks has allowed the network airlines to compete more effectively with the LCC airlines. In addition, most of the network airlines have begun to offer fare classes that directly compete with the LCC airlines. With these fare classes, the network airlines are able to offer a similar level of service to the LCC airlines in their existing mainline aircraft and compete at a similar price point.

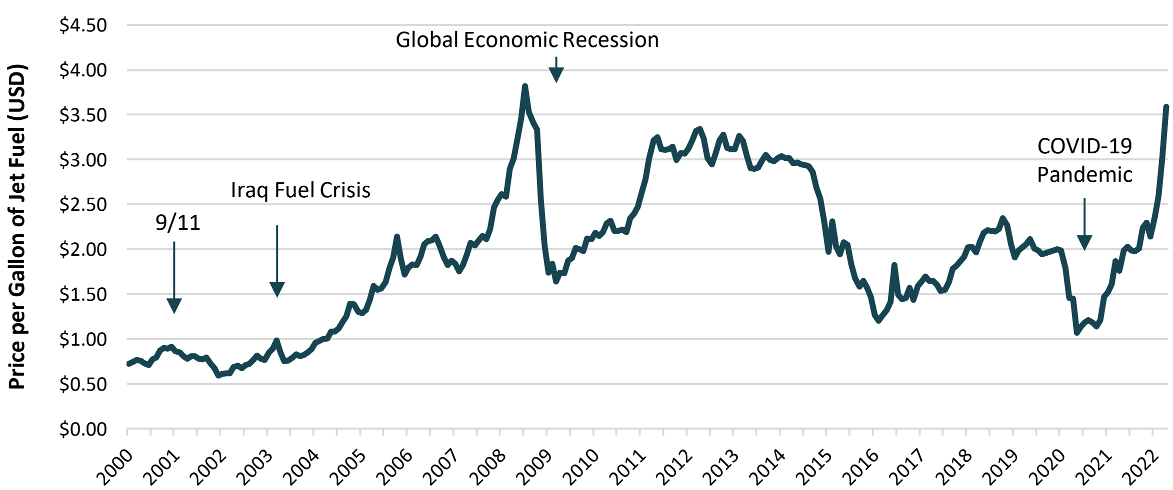
The LCC/ULCC airlines have also begun to actively analyze international expansion possibilities. JetBlue Airways has built a strong presence in the Caribbean and Latin America, adding service to 31 markets. With the acquisition of AirTran Airways, Southwest Airlines is now serving AirTran Airways' Caribbean and Mexican routes, becoming positioned for further international expansion.

At the Airport, enplaned passengers on LCC/ULCC airlines have grown an average of 2.5% annually since 2011. In 2021, the LCC/ULCC airlines accounted for approximately 46.2% of domestic seats and 46.0% of domestic enplaned passengers at the Airport. It is expected that the LCC/ULCC airlines will continue to increase domestic and international service at the Airport in the coming years.

Fuel Cost Impacts

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainty. Figure 30 shows the historical fluctuation in fuel prices since 2000. Beginning in 2003, fuel prices rapidly increased from political unrest in Iraq and other oil-producing countries, as well as other factors influencing the demand for and supply of oil. In 2008, a spike in crude oil prices drove up jet fuel prices to an unprecedented high of $3.82 per gallon, forcing many airlines to introduce fuel surcharges. Fuel prices fell sharply in the second half of 2008 but rose again in 2011. The price of fuel increased to such high levels that fuel represented the largest operating expense for airlines, accounting for between 30% and 40% of expenses for most airlines in 2011 through 2014.

Figure 30
HISTORICAL AVIATION FUEL PRICES



Sources: U.S. Department of Transportation, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, January 2000 – June 2022, www.transtats.bts.gov

From June 2014 to June 2017, the average price of aviation fuel decreased by approximately 50%, reflecting continued growth in U.S. oil production, strong global supply, and weakening outlooks for growth in the global economy and oil demand. From August 2017 through the end of 2019 aviation fuel prices rose steadily but remained below the highs in 2008 and between 2011 and 2015. Beginning in January 2020, aviation fuel prices began to decrease as demand was reduced because of the economic slowdown caused by the COVID-19 pandemic. Aviation fuel prices reached a low point in May 2020 at $1.03 per gallon and have been steadily rising since. In April 2022 (the most recent data available), the cost of aviation fuel had increased to

$3.59 per gallon, an increase of $0.55 (18.1%) from March 2022 ($3.04). The last time aviation fuel was above $3.00 was in March 2014 ($3.02).

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term. Fuel prices have been and will likely continue to be volatile and may increase over the long term as global energy demand increases in the face of finite oil supplies.

Aircraft Trends

Between 2001 and 2007, many airlines transferred a number of less profitable routes to their regional airline partners to reduce costs. Trends at the Airport mirrored the national trend, with an increase in the number of regional aircraft operations.

Beginning with the fuel price spike in 2008, airlines began to reduce the number of 50-seat regional jets in their fleets, which aircraft had been widely used as feeder aircraft for the network airlines. Airlines such as United Airlines, Delta Air Lines, and American Airlines have recently grounded or sold hundreds of these small regional jets and have transitioned towards larger, more fuel-efficient aircraft. In the face of volatile fuel prices, airlines continued to move toward the use of larger, more fuel-efficient aircraft. Over the next decade, the network airlines will continue to upgrade their fleets with new, fuel-efficient aircraft, potentially reducing the fuel efficiency advantage of the LCC airlines.

The introduction of aircraft with new technology will likely result in new nonstop service around the world. Aircraft such as the next-generation Boeing 777, the Boeing 787, and Airbus A350 incorporate new technology such as, but not limited to, new airframe, engine, and wing designs that continue to improve aircraft range and fuel efficiency and will continue to result in new nonstop service around the world, providing service to markets that may lack significant feeder traffic from a hub carrier.

Trends in nonstop service continue to emerge in the narrow body aircraft segment as well, with improved economics of service on smaller routes. In early 2019, Airbus began delivering their small narrow body jet aircraft, the Airbus A220 (previously known as Bombardier's CSeries), providing fuel efficient and comfortable aircraft that serve the 100-135 seat market. The Airbus A321LR and A321XLR aircrafts provide fuel-efficient longer-range operations in the 180-220 seat market.

After the accidents on foreign carriers Lion Air in 2018 and Ethiopian Airlines in 2019 involving the Boeing 737 MAX, the FAA and world aviation regulators grounded all Boeing 737 MAX aircraft, impacting U.S. carriers that rely on this aircraft, including Southwest Airlines, United Airlines, and American Airlines. This resulted in significant flight cancellations until the Boeing 737 MAX returned to service in late 2020. Although the Boeing 737 MAX flights were grounded, the Boeing 737 MAX only represented 1.0% of Southwest Airlines U.S. daily flights, 0.3% of American Airlines U.S. daily flights, and 0.2% of United Airlines U.S. daily flights in 2019. Other aircraft in the fleets of the affected airlines at the Airport replaced the grounded Boeing 737 MAX flights.

As an initial response to reduced demand for air travel caused by the COVID-19 pandemic, many airlines accelerated planned aircraft retirements. By the end of 2020, however, total commercial aircraft retirements were flat compared to 2019.[21] Instead, many airlines focused on placing portions of their aircraft fleet in storage to reduce short-term operating costs while allowing for the aircraft to be re-introduced as air travel demand returns.[22]

Throughout 2020, the growth in domestic air travel exceeded the growth in international air travel. In response to the more rapid growth in demand for domestic air travel, airlines responded by using widebody aircraft that would normally be used for international service, such as the Boeing 777 or the Airbus A330, to service domestic routes. As a result, in 2021 the number of scheduled U.S. domestic flights on widebody aircraft was 40% greater than in 2019. As demand for international travel returns, it is likely, although not certain, that many airlines will re-deploy their widebody fleets away from domestic service and back toward more profitable international routes.

Capacity of the Airport

In addition to any future constraints that may be imposed by the capacity of the national air traffic control system, future growth in airline traffic at the Airport will also depend on the capacity of the Airport itself. The Airport's existing six-runway layout provides significant airfield capacity. Additionally, areas are reserved for up to six additional runways, with accompanying long-term development plans to add gates to existing concourses and on new concourses.

The forecasts in this 2022 Report are based on the assumptions that, during the Forecast Period, neither available airfield, terminal capacity, nor demand management initiatives will constrain traffic growth at the Airport.

AIRLINE TRAFFIC FORECASTS

Table 17 presents historical, estimated, and forecast numbers of enplaned passengers and landed weight at the Airport from 2021 through 2030.

Historically, the forecast of aviation activity has been based on analyses of historical trends in airline service and traffic at the Airport, historical and forecast socioeconomic growth in the Denver Metropolitan Area, forecast GDP growth in the United States and other world regions, and expected future trends in airline traffic, as discussed in earlier sections.

The forecast of airline traffic at the Airport is based on (1) assumptions about when the numbers of enplaned passengers at the Airport are expected to reach FY 2019 levels, which is based, in part, on recent positive trends in passenger levels at the Airport and the United States and (2) an assumed rate of growth in the number of enplaned passengers at the Airport after FY 2019 levels are reached and during the remaining years of the Forecast Period.

It was assumed that airline service at the Airport will not be constrained by the availability or cost of aviation fuel, long-term limitations in airline aircraft fleet capacity, limitations in the

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[21] Source: https://aviationweek.com/air-transport/aircraft-retirements-due-covid-19-not-prevalent-expected
[22] Source: https://www.wsj.com/articles/planes-grounded-by-covid-19-largely-avoid-the-junkyardfor-now-11622799001

capacity of the air traffic control system or the Airport, or government policies or actions that restrict growth.

Assumptions Underlying the Forecasts

Forecasts of airline traffic were developed taking into account analyses of the economic basis for airline traffic, airline traffic trends, and an assessment of the key factors that may affect future airline traffic, as discussed in earlier sections. In general, it was assumed that changes in airline traffic at the Airport over the long term will occur as a function of growth in the economy of the Airport service region and changes in airline network strategy including the role of the Airport as a connecting hub for United Airlines, Southwest Airlines, and Frontier Airlines. It was also assumed that continued development of airline service at the Airport will not be constrained by the availability of aviation fuel, long-term limitations in airline aircraft fleet capacity, limitations in the capacity of the air traffic control system or the Airport, or government policies or actions that restrict growth. Also considered were recent and potential developments in the national economy and in the air transportation industry as they have affected or may affect airline traffic at the Airport.

During the Forecast Period, it was assumed that:

General Assumptions

- The U.S. economy will experience sustained GDP growth averaging approximately 2.1% per year.[23]
- COVID-19 vaccines to treat COVID-19 and its variants will continue to be produced and made available to the public, and the rate of vaccination in the U.S. and internationally will increase.
- Economic closures, travel restrictions or other similar actions will be less impactful on the propensity of people to use air travel as compared to the months following the widespread emergence of the COVID-19 pandemic.
- The use of video technology during and after the COVID-19 pandemic for business purposes will continue but will not have a material effect on business travel.
- Despite the emergence of new variants of COVID-19, there will be no major disruption of airline service or passenger travel behavior as a result of airline bankruptcies or liquidations, international hostilities, terrorist acts or threats, or public health crises such as, but not limited to, pandemics similar to COVID-19.
- There will be no major disruption of airline service or airline travel behavior as a result of rising fuel costs, higher airfares, or delays in new aircraft orders.
- Airline staffing challenges will be resolved in the short-term.

[23] U.S Department of Agriculture, Economic Research Service, International Macroeconomic Data, Projected Real GDP Values, updated January 13, 2022.

Airport-Specific Assumptions

- Denver Metropolitan Area real GDP growth will average 2.4% per year from 2022 through 2030, based on projections by Woods & Poole Economics.
- In the short-term, full-service carriers, including United Airlines, will maintain capacity discipline, leading to growth rates in line with U.S. GDP.
- The busiest airlines serving the Airport (measured by the number of enplaned passengers) will be financially viable.
- The Airport will continue to be one of the busiest connecting hubs for United Airlines and Southwest Airlines, and Frontier Airlines, as measured by the number of connecting passengers on each airline.
- Competition among the airlines serving the Airport will ensure the continued availability of competitive airfares, with no significant increase in airline concentration.
- Airlines providing scheduled service at the Airport will continue to add seat capacity to meet increasing passenger demand at the Airport and industry trends reflecting increased aircraft load factors and the use of larger aircraft will continue.

Enplaned Passengers

Between 2022 and 2030, the number of passengers enplaned at the Airport is forecast to increase an average of 3.0% per year, to 44.2 million in 2030. The average annual rate of growth is in-line with the Airport's 20-year (1999-2019) average annual rate of growth.

In its most recent *Terminal Area Forecast* for the Airport (issued March 15, 2022), the FAA assumes that the Airport will recover back to 2019 levels in 2023. The FAA then projects that Airport will grow on average by 3.0% annually to 42.6 million enplaned passengers in 2030. The FAA uses a base year of 2020 for the forecast of enplaned passengers at the Airport compared to a base year of 2021 used in this 2022 Reports which is the primary reason for a difference between the two forecasts.

Table 17
AIRLINE TRAFFIC FORECASTS
Denver International Airport

	Historical			Forecast									Average Annual Growth Rate 2019-2030
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Enplaned Passengers													
Originating	22,259,410	10,032,089	17,321,707	20,925,699	21,553,470	22,200,074	22,866,076	23,552,059	24,258,620	24,986,379	25,735,970	26,508,049	1.6%
Connecting	12,253,544	6,841,754	12,096,175	13,950,466	14,368,980	14,800,049	15,244,051	15,701,372	16,172,414	16,657,586	17,157,314	17,672,033	3.4%
Total	34,512,954	16,873,843	29,417,882	34,876,165	35,922,450	37,000,124	38,110,127	39,253,431	40,431,034	41,643,965	42,893,284	44,180,082	2.3%
Annual Percent Increase/(Decrease)	--	(51.1%)	74.3%	18.6%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Percent Originating	64.5%	59.5%	58.9%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	
Percent Connecting	35.5%	40.5%	41.1%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	

Note: Columns may not add to totals shown due to rounding.
Sources: Historical – Department records. Forecast – WJ Advisors LLC.

SECTION 2

AIRPORT FACILITIES AND CAPITAL PROGRAM

AIRPORT FACILITIES AND CAPITAL PROGRAM

AIRPORT FACILITIES

The Airport occupies approximately 33,800 acres (53 square miles) of land approximately 24 miles northeast of downtown Denver.

The passenger terminal complex is accessed via Peña Boulevard, a 12-mile dedicated Airport access road from Interstate 70. The Airport has six non-intersecting runways and a related system of taxiways and aircraft aprons. Four runways are oriented north-south and two runways are oriented east-west. Five runways are 12,000 feet long and 150 feet wide, and the sixth runway is 16,000 feet long and 200 feet wide, making it the longest commercial-service runway in North America.

The passenger terminal complex consists of a Landside Terminal Building (also referred to as the Great Hall) and three airside concourses (A, B, and C). The Great Hall accommodates passenger ticketing, baggage claim, concessions, and other facilities and amenities, and is served by terminal curbside roadways for public and private vehicles. Automobile parking is provided in two public parking garages adjacent to the Great Hall, surface parking lots, and remote parking lots accessible by shuttle buses. Parking spaces are also provided for Airport employee and tenant parking.

Immediately adjacent to the Great Hall is the Hotel and Transit Center (HTC) comprised of a train station linking the Airport to downtown Denver's Union Station, a 519-room hotel offering conference space, meeting rooms, and an open-air plaza. The HTC is connected to the Great Hall by a public plaza.

Passengers travel between the Great Hall and Concourses A, B, and C via an underground Automated Guideway Transit System (AGTS). In addition, a pedestrian bridge provides access from the Great Hall to Concourse A. The Airport is undergoing a major expansion program which will increase the number of gates on all concourses by 44 gates (or approximately 37%), as shown in Table 18. All of the new gates have been leased by United Airlines, Southwest Airlines and Frontier Airlines, as described later in this report.

Table 18
NUMBER OF GATES BY CONCOURSE
Denver International Airport

	Prior to Concourse Expansion Project	Post-Concourse Expansion Project	Increase (decrease)	Estimated Completion Year
Concourse A	28	40	12	2022
Concourse A GLF *(a)*	9	14	5	2024
Concourse B *(b)*	54	65	11	2021/2022
Concourse C	29	45	16	2022
Total gates	120	164	44	

(a) Reflects the number of gates for the Concourse A ground loading facility (GLF).
(b) Four new gates were completed in 2021, and the remaining seven new gates are expected to be completed in 2022.

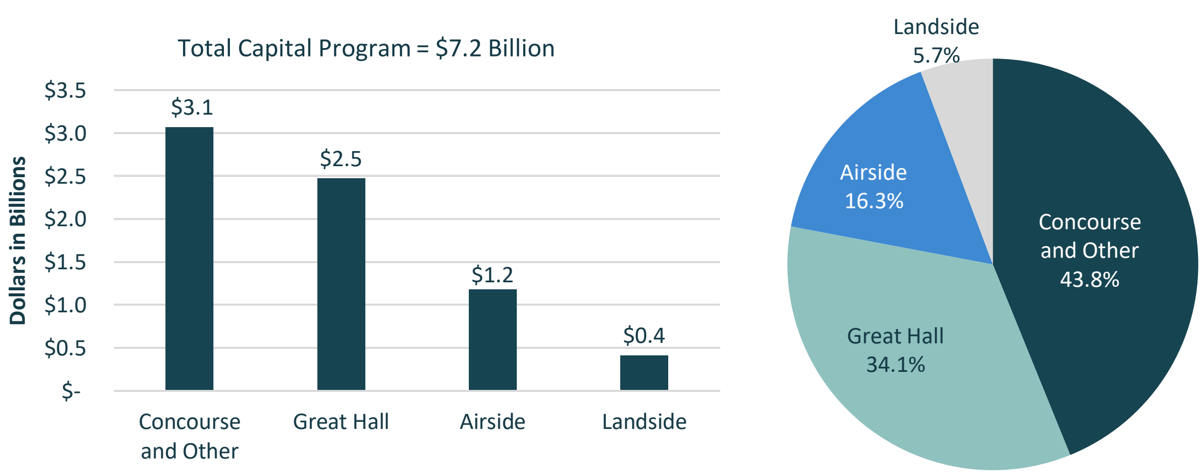
The Airport is one of the few major U.S. airports with room to expand its current terminal and airfield facilities to accommodate future growth as described in the Department's airport master plan. The current terminal can be expanded with two additional concourses and another processing facility similar to the Great Hall. In addition, the Airport has capacity for six additional runways, for a total of 12 runways at complete build-out.

AIRPORT CAPITAL PROGRAM AND FUNDING SOURCES

The Department is in the process of completing its Existing Capital Program for the Airport and has developed its Next Capital Program (collectively, the Total Capital Program). The Total Capital Program (see Figure 31) includes Airport facility projects with the following primary purposes:

- Major maintenance
- Expansion
- Capacity enhancements
- Facility upgrades and improvements
- Revenue generation

Figure 31
TOTAL CAPITAL PROGRAM
Denver International Airport



Note: Totals may not add to 100% due to rounding.
Source: Department management records.

Existing Capital Program

As reflected on Exhibit A and Exhibit A-1, the projects in the Existing Capital Program are estimated by Department management to cost approximately $4.3 billion. The cost of the Existing Capital Program is shown on Exhibit A and includes an allowance for inflation based on the start and end dates of each project. Table 19 shows the additional costs included in the Existing Capital Program since the original $3.5 billion capital program referenced in the Report of the Airport Consultant for the Airport System Revenue Bonds Series 2018, dated August 6, 2018 (the 2018 Report).

Table 19
UPDATED COST OF EXISTING CAPITAL PROGRAM
Denver International Airport
(in Billions)

	Estimated Cost
Capital Program presented in the 2018 Report	$3.5
Plus: Concourse Renewal Project	0.5
Plus: Concourse A GLF Expansion	0.2
Plus: Baggage Systems and Other Projects	0.1
Existing Capital Program	$4.3

Source: Department records.

The three largest projects in the Existing Capital Program (as measured by project costs) are the Concourse Gate Expansion, Great Hall Project (phases 1 and 2), and Concourse Renewal Program. Construction began on the Concourse Gate Expansion in May 2018, and all of the new gates are currently expected to be ready and available for their intended use by early 2024. The redevelopment of the Great Hall began in July 2018. Phase 1 opened in October 2021 and phase 2 is scheduled to open in 2024. Renovations associated with the Concourse Renewal Program began in 2020 and are estimated to be completed in 2024. All other projects in the Existing Capital Program are expected to be completed by the end of 2024.

The primary projects in the Existing Capital Program and their purpose are discussed below by Airport cost center.

Airfield Area and Concourse Apron

- **Runway Rehabilitation Program**. This project provides for the rehabilitation of Runway 17R-35L pavement as well as the rehabilitation of other runway pavement and lighting systems.
- **Concourse Gate Expansion (Airfield and Apron).** This project includes the construction of additional apron and required Airfield improvements associated with the Concourse Gate Expansion, including improvements to utilities and fuel pits.

- **Gate Apron Rehabilitation Program.** This project consists of the replacement of the gate apron pavement and subgrade adjacent to Concourses B and C.
- **Concourse A Ground Loading Facility (GLF) Expansion (Airfield and Apron).** This project includes Airfield improvements associated with the Concourse A GLF Expansion, including improvements to utilities and fuel pits.

Baggage Systems and Automated Guideway Transit System (AGTS)

- **Checked Bag Resolution Areas (CBRA).** This project includes the development of two new CBRAs that will replace the nine existing areas, the installation of new conventional baggage system conveyors, and the installation of individual airline systems to move alarmed bags between the screening areas to the new CBRA and the airline baggage makeup areas.
- **Level 5.5 Project.** This project consists of modifications to the baggage handling system to accommodate the new layout of the Great Hall.
- **AGTS Car Replacement Program.** This project consists of the replacement of the original AGTS vehicles and the addition of two new train sets. Department management expects to receive all 26 train cars by October 2023.

Terminal Complex

- **Concourse Gate Expansion.** This project includes the construction of 12 new gates on the west side of Concourse A; 16 new gates on the east side of Concourse C; four new gates on the west side of Concourse B; and seven new gates on the east side of Concourse B. The new east side gates on Concourse B will replace certain ground loading operations and regional jet gates to improve aircraft operations.
- **Great Hall Project.** This project consists of Phase 1 and Phase 2 of the redevelopment of the Great Hall.

  Phase 1 includes:

  - An additional 31,000 square feet of space for the Great Hall as well as approximately 158,500 square feet of newly renovated space.
  - New check-in areas in the center of the Great Hall with 86 automated self-bag drop units (43 on each side) to streamline the check-in process.
  - New restrooms with upgrades to existing restrooms.

  Phase 2 includes:

  - A new security checkpoint on the northwest side of the Great Hall.
  - A widened balcony for more capacity and space at the new checkpoint.
  - A new triple escalator from the security checkpoint to the AGTS platform.

- **Concourse Renewal Program.** This program consists of updating/upgrading current restrooms, signage, holdrooms, and flooring on an annual basis.
- **Concourse A GLF Expansion.** This project includes the expansion and associated modifications of the existing GLF as well as a new office and maintenance space for Frontier Airlines. Construction will start in 2022 and is estimated to be completed in early 2024.

Roadways, Public Parking, and Ground Transportation

- **Peña Boulevard Project**. This project provides for the reconstruction, replacement, realignment, and widening of various sections of Pena Boulevard and associated roadways.
- **Public Parking Program**. This project includes, but is not limited to, the replacement of the revenue control system and the installation of the parking lot entrance and exit canopies.

Other Airport Areas

- **Technology Infrastructure Improvements.** This project consists of the implementation of the technology infrastructure program to address all major and critical technology infrastructure at the Airport.

Next Capital Program

As reflected on Exhibit A and Exhibit A-2, the projects in the Next Capital Program are estimated by Department management to cost approximately $2.9 billion and start in 2023. The cost of the Next Capital Program is shown on Exhibit A and includes an allowance for inflation based on the estimated start and end dates of each project.

The largest project in the Next Capital Program (as measured by project costs) is the completion phase of the Great Hall Project which is scheduled to be complete in 2028. All other projects in the Next Capital Program are expected to be completed by the end of 2029.

The primary projects in the Next Capital Program and their purpose are discussed below by Airport cost center.

Airfield Area and Concourse Apron

- **De-Icing Capacity Program.** This project includes expansion of a taxiway, deicing tanks, ponds, and discharge expansion/upgrades and aircraft deicing system modernization.
- **Runway Rehabilitation Program**. This project provides for the rehabilitation of runway pavement and lighting systems.
- **Seventh Runway Project.** This project consists of initial runway planning studies and design work associated with the next potential runway.

- **DS East Expansion Project.** This project expands the taxiway system north of Concourse C from a single taxiway to a dual taxiway in order to improve taxiway movement.
- **Gate Apron Rehabilitation Program.** This project consists of the replacement of the gate apron pavement and subgrade adjacent to Concourse A.
- **Taxiway/Apron Rehabilitation Program**. This project includes taxiway pavement rehabilitation, lighting rehabilitation, terminal taxiway and apron slab rehabilitation in targeted areas, and other safety area upgrades.

Baggage System and AGTS

- **Baggage Renewal and Replacement Program.** This program includes control system upgrade improvements to meet Transportation Security Administration (TSA) requirements, conveyor replacements, lift replacement, and recapitalization of the checked baggage.
- **Baggage Recap.** This project includes recapitalization of the checked baggage to meet Transportation Security Administration (TSA) requirements.
- **AGTS Car Replacement Program.** This project consists of the replacement of the remaining 15 original AGTS vehicles.

Terminal Complex

- **Completion Phase of the Great Hall Project.** This project consists of the completion phase of the redevelopment of the Great Hall.
  - New security checkpoint on the northeast side of the Great Hall.
  - New check-in areas similar to phase 1 for the remaining airlines on the south end of the Great Hall.
  - Renovated restrooms and replacement of flooring, lighting, elevators/escalators, fire protection systems and heating/cooling.
  - Updated meet and greet areas for both domestic and international arrivals.
- **Concourse Renewal Program.** This program includes updating/upgrading current restrooms, signage, holdrooms, and flooring on an annual basis.
- **Physical Access Control System Replacement Program.** This project includes the replacement of the legacy access control system for the Airport.
- **Passenger Conveyance Modernization Program.** This program includes updating/upgrading current walkways, elevators, and escalators on an annual basis.

Roadways, Public Parking, and Ground Transportation

- **Annual Landside Rehabilitation Program**. This program includes, but is not limited to, the annual road pavement rehab, parking garage repairs, and other safety requirements.
- **Peña Boulevard Project**. This project provides for the start of the next phases of reconstruction, replacement, realignment, and widening of various sections of Pena Boulevard and associated roadways.

Other Airport Areas

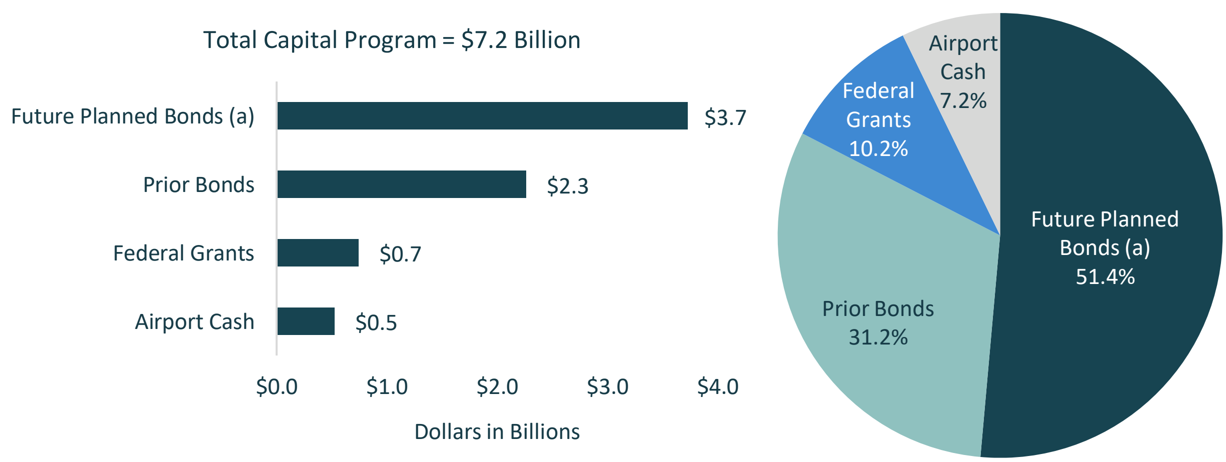
- **Technology Infrastructure Improvements.** This project consists of the implementation of the technology infrastructure program to address all major and critical technology infrastructure at the Airport.
- **DEN Real Estate.** This project consists of initial development and improvements to the Airport's real estate infrastructure in certain areas.

FUNDING THE TOTAL CAPITAL PROGRAM

Improvements to the Airport System have historically been financed primarily through the City's issuance of Airport System Revenue Bonds under the Bond Ordinances.

Department management expects to pay for Total Capital Program costs using the major funding sources shown on Exhibits A and B and Figure 32, as discussed below.

Figure 32
FUNDING THE TOTAL CAPITAL PROGRAM
Denver International Airport



Note: See Exhibit A and B for additional information.
(a) Includes the proposed Series 2022 bonds.
Source: Department records.

To the extent that the City does not receive the funding shown on Exhibit A, Department management would (1) defer projects or reduce project scopes, as appropriate, (2) issue additional Bonds, or (3) use additional Airport balances on deposit in its Capital Improvement Account.

Certain assumptions were incorporated into the financial forecasts presented in this 2022 Report in connection with the completion of projects in the Existing Capital Program and Next Capital Program, and the issuance of Future Planned Bonds regarding additional (1) Gross Revenues from airline rentals, rates, fees, and charges and other sources, (2) O&M Expenses, and (3) aggregate Debt Service Requirements and Subordinate Debt Service Requirements.

Federal Grants

Federal grants received by the City include federal grants under the Airport Improvement Program (AIP), which provides discretionary and entitlement grants for eligible airport projects, and TSA grants.

The City is eligible to receive FAA grants-in-aid under the AIP for up to 75% of the costs of eligible projects. Certain of these grants are to be received as entitlement grants, the annual amounts of which are calculated based on the number of enplaned passengers and the amount of landed weight of all-cargo aircraft at the Airport. Other grants to be received are discretionary grants, awarded on the basis of the FAA's determination of the priorities for projects at the Airport and at other airports nationwide.

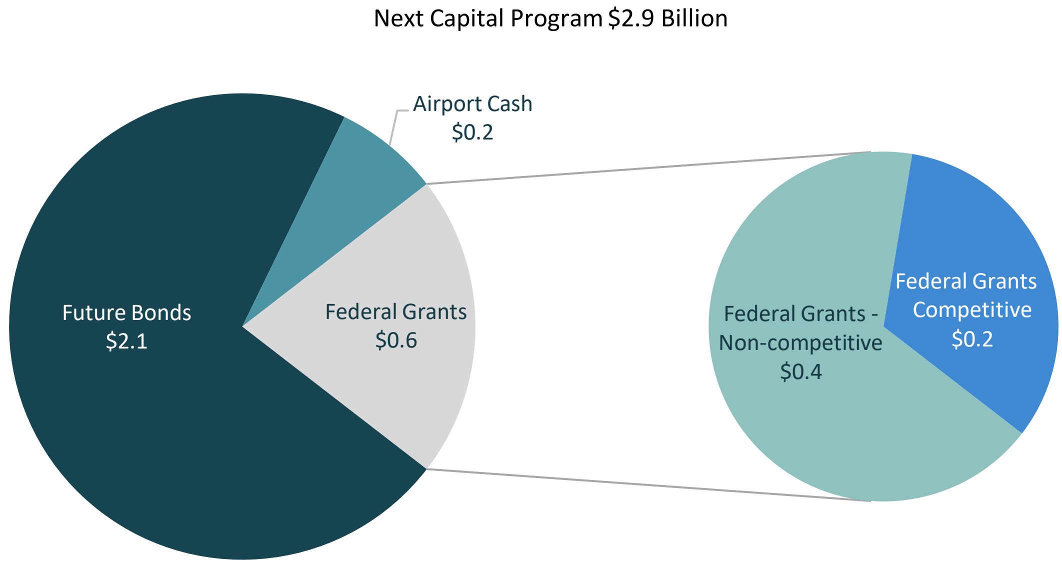
On November 15, 2021, the President signed into law the Infrastructure Investment and Jobs Act (also referred to as the Bipartisan Infrastructure Law [BIL]), which provides approximately $15 billion for airport-related projects over a five-year period as defined under the existing Airport Improvement Program (AIP) and Passenger Facility Charge (PFC) criteria. The Department is eligible for approximately $59 million of additional entitlement funds each year over the next five years for a total of approximately $296 million. Five billion of the total $15 billion in funding from the BIL will be competitively awarded to airports over this period, which the Department will pursue for certain projects associated with its Next Capital Program.

The federal funding shown on Exhibit A reflects entitlement, discretionary, BIL, and TSA grants that Department management expects to receive during the Forecast Period based, in part, on previous federal funding and expected grant applications for specific projects in the Existing Capital Program and Next Capital Program. Federal grants-in-aid assumed to be applied to fund Existing Capital Program and Next Capital Program project costs equal approximately $740 million, of which approximately $124 million would fund the Existing Capital Program and approximately $616 million would fund the Next Capital Program. If the actual amount of federal grants is lower than the amount shown on Exhibit A, such reduction could (1) result in the City issuing more Future Planned Bonds and/or using more Airport cash to fund project costs, (2) result in decreases in Total Capital Program costs, or (3) extend the timing for completion of certain projects in the Total Capital Program.

Approximately $200 million of the approximate $616 million of federal grants-in-aid assumed to fund the Next Capital Program are subject to the BIL competitive award process, as shown on

Figure 33. As of the date of this 2022 Report, it is unknown if the Department would be successful in receiving all or a portion of these grants. If these federal grants are not received, Department management intends to defer projects that would have been funded with these federal grants.

Figure 33
ESTIMATED FUNDING SOURCES AND FEDERAL GRANTS FUNDING THE NEXT CAPITAL PROGRAM
Denver International Airport
(in billions)



AIP grants and TSA grants received by the City for capital projects are not defined as Gross Revenues under the Bond Ordinances.

Purchase Agreements

The Department has previously used purchase agreement loans to fund equipment acquisitions and installations at the Airport, and may use loans from financing companies over the Forecast Period to fund projects in the Total Capital Program. As of the date of this 2022 Report, the City does not have any Master Installment Purchase Agreements (the Purchase Agreements).

Proposed Series 2022 Bonds

The net proceeds from the sale of the proposed Series 2022 Bonds are currently expected to be used to:

- Fund approximately $1.6 billion of Existing Capital Program project costs, which includes the refunding of the 2021 Interim Note Subordinate Obligation that funded approximately $700 million of project costs.

- Fund a debt service reserve account for the proposed Series 2022 Bonds within the Senior Bond Reserve Fund, capitalized interest and pay certain costs related to the issuance of the proposed Series 2022 Bonds.

The proposed issuance of the Series 2022 Bonds is assumed to be issued as fixed-rate Senior Bonds with a final maturity date of December 2052. An all-in true interest cost of approximately 5.0% on the proposed Series 2022 Bonds was provided by Frasca & Associates, the Department's Financial Advisor.

The Department may refund for economic savings certain outstanding Senior Bonds, Subordinate Bonds, or Junior Lien Obligations or a combination of all three during the Forecast Period with the net proceeds of the proposed Series 2022 Bonds or other series of bonds issued by the Department. The financial forecasts do not include any debt service savings from the refunding of other outstanding bond principal.

Future Planned Bonds

Exhibit B also shows the sources and uses of funds for Future Planned Bonds. Together with estimated FAA grants-in-aid and prior Bond proceeds, the net proceeds of Future Planned Bonds would be used to:

- Fund approximately $2.1 billion of Next Capital Program costs.
- Fund deposits to the Bond Reserve Fund in an amount required to equal the Minimum Bond Reserve Requirement.
- Pay capitalized interest on Future Planned Bonds.
- Pay the costs of issuance for Future Planned Bonds.

The Future Planned Bonds were assumed to be issued as Senior Bonds and Subordinate Bonds.

During the Forecast Period, however, Department management may decide to fund Existing Capital Program or Next Capital Program costs from the net proceeds from the sale of Senior Bonds and Subordinate Bonds based on a number of factors at the time of issuance, such as (1) the type of project to be financed (i.e., major maintenance or revenue generating), (2) the difference in interest rates between Senior Bonds and Subordinate Bonds, and (3) the implications, if any, on the Airport's debt service coverage ratios; airline rentals, rates, fees and charges; and credit ratings, among other factors, as a result of issuing Senior Bonds and Subordinate Bonds.

The City may use a revolving line of credit and/or other interim credit facilities, that would be considered Subordinate Bonds or Contract Obligations under the SBO. If these sources are used to pay project costs, Department management would issue Future Planned Bonds at a later date to replace those funding sources. For purposes of this 2022 Report, it was assumed that these project costs would be financed with Future Planned Bonds.

SECTION 3

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

FINANCIAL FRAMEWORK

The Department accounts for Airport financial operations and results according to generally accepted accounting principles for governmental entities and the requirements of the Bond Ordinances. Other key documents that influence the financial operations of the Airport are the PFC Ordinances, and the Airline Agreements.

The financial forecasts presented in this 2022 Report reflect Department management's expected course of action during the Forecast Period to generate Gross Revenues and Other Available Funds sufficient to meet the Rate Maintenance Covenant of the GBO.

Under the Rate Maintenance Covenant of the GBO, the Department covenants to fix, revise, charge, and collect rentals, rates, fees, and other charges for the use of the Airport System so that, in each Fiscal Year, Gross Revenues together with Other Available Funds will, at all times, be at least sufficient to provide for the payment of O&M Expenses for such Fiscal Year, and the larger of either (1) the total amount of required deposits to various Airport System funds and accounts during such Fiscal Year, or (2) 125% of the aggregate Debt Service Requirements on Senior Bonds for such Fiscal Year.

The following sections provide an overview of recent historical Airport financial results prior to and through the COVID-19 pandemic and describe the assumptions used as the basis for forecasting Gross Revenues, O&M Expenses, aggregate Debt Service Requirements (Senior Bonds, Subordinate Bonds and Obligations, and Junior Lien Obligations), and deposits to the funds and accounts of the Bond Ordinances.[24]

FINANCIAL EFFECTS OF THE COVID-19 PANDEMIC ON THE AIRPORT

The COVID-19 pandemic resulted in substantial reductions in flights and passengers at the Airport beginning in March 2020. Air travel during the last nine months of 2020 and all of 2021 was affected by the COVID-19 pandemic; 2019 was the last full year prior to the COVID-19 pandemic. Given the unprecedented nature and uncertainty surrounding COVID-19, the Department took a series of operational, commercial, and financial actions in order to prioritize strong cash liquidity and debt service coverage, and also assist airline and nonairline partners serving the Airport.

In 2020, the Department:

- *Targeted O&M Expense reductions* included implementing a hiring freeze and furlough days for existing employees, reducing overtime and eliminating travel, suspending nonessential procurements/contracts, reviewing all contracts to reset service levels and costs, and implementing new approval procedures to closely monitor/reduce spend rates.

[24] Certain historical financial data in this 2022 Report may be different than the data presented in the preliminary official statements and the audited financial statements because of the way the year-end adjustment and settlement of airline rates and charges is presented in each respective document.

- *Adopted the Policy on Signatory Air Carrier Rent Abatement in Response to the COVID-19 Pandemic*, in which the Department made rent abatements available for certain rentals, rates, fees and charges incurred by passenger and cargo Signatory Airlines. All Signatory Airline deferral and repayment amounts were structured by the Department to occur in 2020, and all deferred amounts have been repaid to the Department
- *Adopted the COVID-19 Relief for Concessionaires and Rental Car Companies,* which primarily allowed concessionaires and rental car companies for a portion of 2020 to pay a percentage fee of gross revenues to the Airport, and not pay the MAG that would have otherwise been due and payable to the Department.

In 2021, the Department:

- *Adopted the Policy on Signatory Air Carrier 2021 Rates & Charges Payment Deferrals in Response to the COVID-19 Pandemic*, provided for:
    - A 25% deferral of the payment of certain rentals, rates, fee and charges incurred by passenger and cargo Signatory Airlines. All Signatory Airline deferral and repayment amounts were structured by the Department to occur within a five-year period beginning in 2022 in equal annual installments.
    - A 25% increase in the Airline Revenue Credit over the $40 million cap (or an additional $10 million per year) from 2022 through 2026 if remaining Net Revenues available for revenue sharing between the Signatory Airlines and the Airport after deposits are made to reserve funds or accounts as required under the GBO exceed the amount in 2019 of $183 million.
- *Adopted the Policy on Signatory Air Carrier 2021 Rates & Charges in Response to the COVID-19 Pandemic*, provided that if 2021 actual rates and charges payments are above 2021 budgeted rates and charges payments in total dollars and the Airport meets 125% debt service coverage, then:
    - Remaining CARES Act grants were used to pay debt service, meaning that the same amount of debt service would no longer be included in the calculation of airline rates and charges.
    - Any overage equal to the difference between 2021 actual rates and charges payments and 2021 budgeted rates and charges payments will be deferred until the number of passengers in 2019 is reached for three consecutive months and then will be re-paid over a five-year period in equal installments.
- *Continued the concessionaire MAG waiver program through December 2021.*

In the forecast of financial results presented in this 2022 Report, no additional airline or concessionaire and rental car program abatements or MAG waivers were assumed. Despite the reductions in nonairline revenues, the Department has not used, nor does it currently expect to use, any of its restricted cash reserves (e.g., Operation and Maintenance Reserve Account) to pay O&M Expenses or pay Debt Service Requirements in response to the COVID-19 pandemic.

In addition to Department actions in 2020 and 2021 to address the negative effects of the COVID-19 pandemic on Airport financial operations, the federal government passed the following legislation which, among other things, includes the award of certain grants to the operators of all U.S. airports to assist with managing the financial effects of the COVID-19 pandemic: the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), the Coronavirus Response and Relief Supplemental Appropriation Act (the CRRSA Act), and most recently, the American Rescue Plan Act (the ARP Act) and collectively, the Coronavirus Relief Grants).

In general, airport operators can use their awarded Coronavirus Relief Grants to pay for any purpose for which airport revenues can lawfully be used.[25] The Coronavirus Relief Grants must be used within four years from the date that the grant agreements between an airport operator and the FAA were executed.

Under the Bond Ordinances, federal grants (including the Coronavirus Relief Grants) are not included in the definition of Gross Revenues of the Airport. However, any grants irrevocably committed to the payment of Debt Service Requirements can be excluded from Debt Service Requirements in the calculation of debt service coverage pursuant to the Bond Ordinances.

The Department has irrevocably committed all of the Coronavirus Relief Grants it received from the FAA to date (excluding the CRRSA Act and ARP Act grant amounts to assist Airport concessionaires), and currently expects to irrevocably commit the remaining grants to the payment of Debt Service Requirements of Senior Bonds and Subordinate Bonds. Such amounts have been excluded from Debt Service Requirements from 2020 through 2024 in the forecast of financial results presented in this 2022 Report as shown in Exhibit G and Exhibit I.

Table 1 summarizes the Coronavirus Relief Grants awarded to the Airport, amounts used and amounts currently expected to be used by the Department to pay Debt Service Requirements. As of the date of this 2022 Report, the Department has received all but approximately $10 million of the $522.0 million of Coronavirus Relief Grants awarded to the Airport.

Table 20 summarizes the Coronavirus Relief Grants awarded to the Department, expenditures, and the remaining grant amounts expended by the Department.

Table 20

CORONAVIRUS RELIEF GRANTS AWARDED TO DENVER INTERNATIONAL AIRPORT

(in millions)

Source of Funds	Award	Amounts used to pay debt service through December 31, 2021	Remaining amounts *(a)*
CARES Act	$269.1	$269.1	$0.0
CRRSA Act	48.6	0.0	48.6
ARP Act	204.3	0.0	204.3
Total	$522.0	$269.1	$252.9

Note: Excludes $36.0 million of Coronavirus Relief Grants that the Airport was awarded to assist Airport concessionaires.

(a) The Department currently expects to use remaining Coronavirus Relief Grants in 2022, 2023, and 2024 to pay Debt Service Requirements (see Exhibit G and Exhibit I).

Source: Department records.

[25] Certain portions of the CRRSA Act and the ARP Act grants were set aside to provide rent relief to airport concessionaires.

GROSS REVENUES

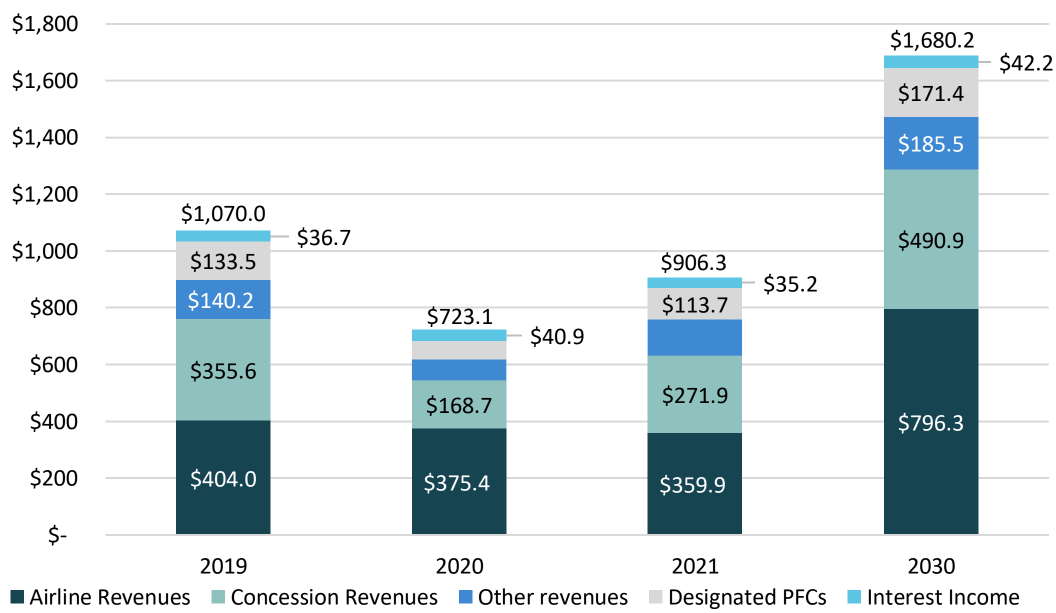
Figure 34 presents the major sources of Gross Revenues for the Airport from 2019 through 2021 and forecast in 2030. Financial data for 2021 reflected throughout this 2022 Report are unaudited and subject to change. Additional line-item detail for airline rentals, rates, fees, and charges and nonairline revenues are shown on Exhibit C and Exhibit D, respectively.

Revenues from a customer facility charge (CFC) that is collected by the on-Airport rental car companies and remitted to the Department are currently defined as Gross Revenues but are not included in the forecast of Gross Revenues and debt service coverage presented in this 2022 Report because the use of CFC revenues is restricted.

Gross Revenues totaled approximately $1.1 billion in 2019, $0.7 billion in 2020 and $0.9 billion in 2021 and are forecast to increase to approximately 1.7 billion by 2030, an average increase of 4.2% per year between 2019 (pre-COVID-19 pandemic) and 2030. The forecast increase in airline revenues is primarily due to the completion of the Concourse Gate Expansion and Great Hall projects during the Forecast Period.

The major sources of Gross Revenues and the assumptions used to forecast Gross Revenues are discussed below.

Figure 34
ACTUAL 2019, 2020, 2021, AND FORECAST 2030 GROSS REVENUES
Denver International Airport
(in millions)



Notes: Excludes CFC revenues, which are restricted in use and are also excluded from the forecast of Gross Revenues and debt service coverage presented in this 2022 Report.

AIRLINE RENTALS, RATES, FEES, AND CHARGES

Overview

Historical and forecast airline rentals, rates, fees, and charges for the Airport, in total and expressed on a per enplaned passenger basis, are shown on Exhibit C. Airline rentals, rates, fees, and charges totaled $404.0 million in 2019 (accounting for 37.8% of Gross Revenues), $375.4 million in 2020 (accounting for 51.9% of Gross Revenues), $359.9 million in 2021 (accounting for 39.7% of Gross Revenues), and are forecast to be approximately $796.3 million in 2030 (accounting for 47.2% of Gross Revenues), as shown on Figure 34 and Exhibit C.

The Department and certain airlines (the Signatory Airlines) serving the Airport have executed separate Airline Agreements, as amended, that provide for, among other things: (1) the use and lease of space at the Airport, (2) the basis for calculating and recalculating rentals, rates, fees, and charges paid by the airlines operating at the Airport, and (3) the majority-in-interest rights of the airlines regarding changes to the methodology used to establish their rentals, rates, fees, and charges. The Airline Agreements also:

- Provide that 50% of the Net Revenues remaining at the end of each year after all other requirements are satisfied, up to a maximum of $40.0 million, is to be credited to the airlines signatory to the Airline Agreements in the following year through the Airline Revenue Credit Account.
- Contain a provision stating that, notwithstanding any other provision of the agreement regarding rate-making methodologies or rentals, rates, fees, and charges, the airline rate base must generate Gross Revenues that, together with Other Available Funds, are sufficient to satisfy the Rate Maintenance Covenant of the GBO each year.

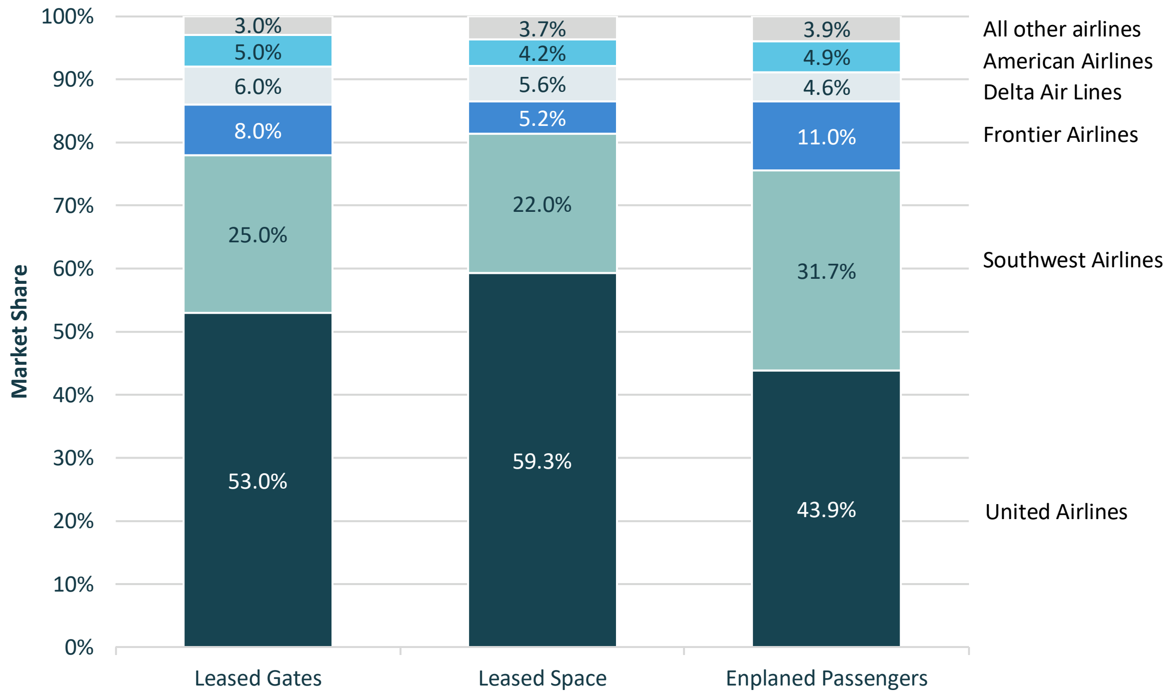
For those airlines that are not signatory to the Airline Agreements, Department management assesses rentals, rates, fees, and charges following procedures consistent with those outlined in the Airline Agreements, in an amount equal to 20% more than Signatory Airline rentals, rates, fees, and charges. In addition, the nonsignatory airlines do not share in the year-end Net Revenue credit

The amount of revenues from airline rentals, rates, fees, and charges each year is a function of a number of factors, including the amount of space and gates leased by the Signatory Airlines to support their aviation activity and operations at the Airport. Using actual 2021 data, Figure 35 provides a comparison of market shares of leased gates, leased space, and enplaned passengers for the five busiest airlines serving the Airport (ranked on the basis of market shares of enplaned passengers in 2021). Collectively, the five busiest airlines lease approximately of gates and 96.3% of airline leased space at the Airport. The amount of space and number of gates leased by each airline to support its operations at the Airport compared to market shares of enplaned passengers vary significantly.

Figure 35

AIRLINE PERCENTAGES OF LEASED GATES, LEASED SPACE AND ENPLANED PASSENGERS IN 2021

Denver International Airport



Note: Reflects actual 2021 data for all airlines. Columns may not add to 100% because of rounding.
Source: Department management records.

Airline Agreement – United Airlines

Various amendments to United Airlines' Airline Agreement have been adopted since its execution in 1991, including, but not limited to, amendments to maintain United Airlines' commitment to continue using the Airport as a connecting hub in its route system.

The Department and United Airlines amended the Airline Agreement in 2014 (the 2014 Amendment) with an effective date of January 1, 2015. Under the 2014 Amendment, the Department agreed to (1) restructure the Airport's debt with the intention of reducing airline rates and charges from 2015 to 2025, (2) permanently delete up to 140,000 square feet from United Airlines' demised premises (which amount was subsequently modified by an amendment to the 2014 Amendment), (3) consolidate the requirement for United Airlines' activity levels at the Airport, and (4) seek approval from the Signatory Airlines at the Airport to revise amortization charges.

In addition, under the 2014 Amendment, United Airlines agreed to a 10-year extension of the Airline Agreement to February 28, 2035, as well as committed to maintain available seat miles (ASMs) at the Airport through February 28, 2025 at a level equal to or greater than 9.1% of total ASMs in the worldwide United Airlines system, subject to a payment offset to United Airlines' portion of the Annual Revenue Credit account if United Airlines falls short of its commitment.

United Airlines shall not be deemed to be in default of the lease provided it makes payments to the Department subject to annual payment caps, $12 million to $20 million per year, as outlined in the 2014 Agreement. The Department would deposit these amounts in the Capital Improvement Account (and such deposits would not be included in Gross Revenues) and use the deposits for any lawful Airport System purpose.

The Department and United Airlines amended the Airline Agreement in 2020 (the 2020 Amendment) and 2021 (the 2021 Amendment). Under the 2020 Amendment, United agreed to lease gates and support space currently under construction in Concourse A and Concourse B, as part of the Concourse Gate Expansion, as well as lease 10 existing gates on Concourse A and other existing facilities. United agreed to lease 11 new gates on Concourse B (four of these gates became operational at the end of 2020 and the remaining seven are expected to be operational in the fall of 2022). The expansion project on Concourse B also included the removal of a ground-loaded commuter facility. In addition, United will lease 12 new gates on Concourse A that are expected to be operational in the fall of 2022.

The 2021 Amendment provides for the use and lease of United Airlines' existing and future concourse space associated with the Concourse Gate Expansion and the Great Hall Project. The 2021 Amendment also includes terms for the new baggage system installed by United Airlines in Concourse B as well as a provision for the Department to purchase the baggage equipment at a later date.

United Airlines has the right to terminate its Airline Agreement, as supplemented and amended, if its cost per enplaned revenue passenger at the Airport exceeds $20 (in 1990 dollars) in any given year. United Airlines' cost per enplaned revenue passenger at the Airport is not expected to exceed $20 (in 1990 dollars) during the Forecast Period.

Airline Agreement – Southwest Airlines

In March 2020, Southwest Airlines extended its Airline Agreement through February 28, 2035, and has agreed to lease up to 40 gates when the new Concourse C expansion gates are operational. The first six Concourse C expansion gates are expected to be leased by Southwest Airlines beginning in May 2022 and the remaining gates are expected to be leased on a phased-in basis by the beginning of 2024.

Airline Agreement – Frontier Airlines

Frontier Airlines has entered into a new 10-year Airline Agreement with the Department that was executed in May 2022 to lease a 14-gate ground loading facility and associated support space that will be constructed as an extension of the existing Concourse A GLF. The term of the new 10-year Airline Agreement will end 10 years after the effective date of the completion of all of the new Concourse A GLF gates, which is expected to be in June 2024. Frontier Airlines will continue to operate their existing leased properties under the new 10-year Airline Agreement while the GLF is being constructed. Frontier Airlines is currently leasing nine gates (eight mainline contact gates and one ground-loaded gate).

Frontier Airlines' new Airline Agreement includes up to $3.6 million in annual rent credits to Frontier's rates and charges for the term of the Airline Agreement to cover the costs of the construction of extending the existing facility and up to $400,000 in annual credits to cover operational costs. Frontier has the right to terminate the Airline Agreement early without penalty if the $3.6 million annual rent credits are not realized.

Airline Agreements – Other Airlines

The airlines listed in Table 21, the Other Airlines, operate at the Airport under Airline Agreements that expired on December 31, 2021. The first of two one-year extensions have been approved and implemented by the Department with no material changes. Airlines are listed in order of their numbers of leased gates as of December 31, 2021**.** Certain other airlines also operate at the Airport pursuant to Airline Agreements, but do not lease gates. Many of these are regional airlines that have code-sharing agreements with United Airlines or the airlines listed in Table 21 or are foreign-flag passenger airlines.

Table 21
OTHER SIGNATORY AIRLINES AND THEIR NUMBER OF LEASED GATES WITH JETBRIDGES

Signatory Airline	Leased Gates
Delta Air Lines	6
American Airlines	5
Spirit Airlines	2
Alaska Airlines	1

Source: Department management records.

Department management expects that the airline rate-making methodology in any new Airline Agreements with the Other Airlines will be substantially similar to that in the existing Airline Agreements during the remainder of the Forecast Period, either through an extension of the existing Airline Agreements or execution of new Airline Agreements.

The Department has also executed Airport use and lease agreements with certain all-cargo airlines and other cargo tenants, as discussed later in this 2022 Report. Please refer to the "AGREEMENTS FOR USE OF AIRPORT FACILITIES" section of the Official Statement for a summary of the agreements between the Department and the airlines serving the Airport.

NONAIRLINE REVENUES

Revenues from nonairline sources accounted for 46.3% of Gross Revenues in 2019, 33.4% in 2020, and 43.9% in 2021. The reduction in 2020 nonairline revenues is directly related to reduced passenger levels due to COVID-19. As described below, Department management intends to continue implementing certain key nonairline revenue initiatives, including renegotiating leases and agreements, rebidding concession opportunities and agreements, and developing new nonairline revenue sources.

Terminal Complex Concessions

The Department leases space at the Airport to concessionaires pursuant to Terminal Complex concession agreements, which provide for payment to the Department of the greater of a percentage of gross revenue or a minimum annual guarantee. The concession agreements also contain a reestablishment clause that allows Department management to adjust rental rates, within certain parameters, if necessary, to satisfy the Rate Maintenance Covenant of the GBO.

Terminal Complex concessions totaled $78.9 million in 2019 (accounting for 7.4% of Gross Revenues), $40.6 million in 2020 (accounting for 5.6% of Gross Revenues), and $67.3 million in 2021 (accounting for 7.4% of Gross Revenues). Concession revenues are forecast to be $84.9 million in 2022 (accounting for 7.6% of Gross Revenues). Terminal Complex concession revenues are forecast to total approximately $133.1 million in 2030 as presented in Exhibit C (accounting for 7.9% of Gross Revenues).

As existing terminal and specialty retail program concession agreements expire over the next five years, Department management will have the opportunity to rebid the agreements to incorporate new concepts and, potentially, new concessionaires based on the Airport's Concession Policy. Department management believes that refreshing and expanding the in-terminal concessions will improve the passengers' experience at the Airport and increase the revenues earned by the Department from these locations.

Terminal Complex concession agreements are described below. See Exhibit D for the forecast of Terminal Complex Concession revenues received by the Department.

Food and Beverage. The food and beverage concession agreements provide for percentage fee revenues to the Department primarily ranging from 7% to 20% of gross revenues or a minimum annual guarantee, whichever is higher.

Merchandise. The specialty retail and merchandise concession agreements provide for percentage revenues to the Department primarily ranging from 10% to 22% of gross revenues or a minimum annual guarantee, whichever is higher.

Terminal Services. Services include advertising, baggage carts, insurance, shoeshine stands, vending machines, bag storage facilities, automated bank teller machines, personal care, on-Airport gas station and convenience store, and other services. In general, these services are provided by concessionaires that pay the Department the higher of a percentage of gross revenues with percentage fees ranging from 5% to 12% of gross revenues, or a minimum annual guarantee, depending on the type of service provided.

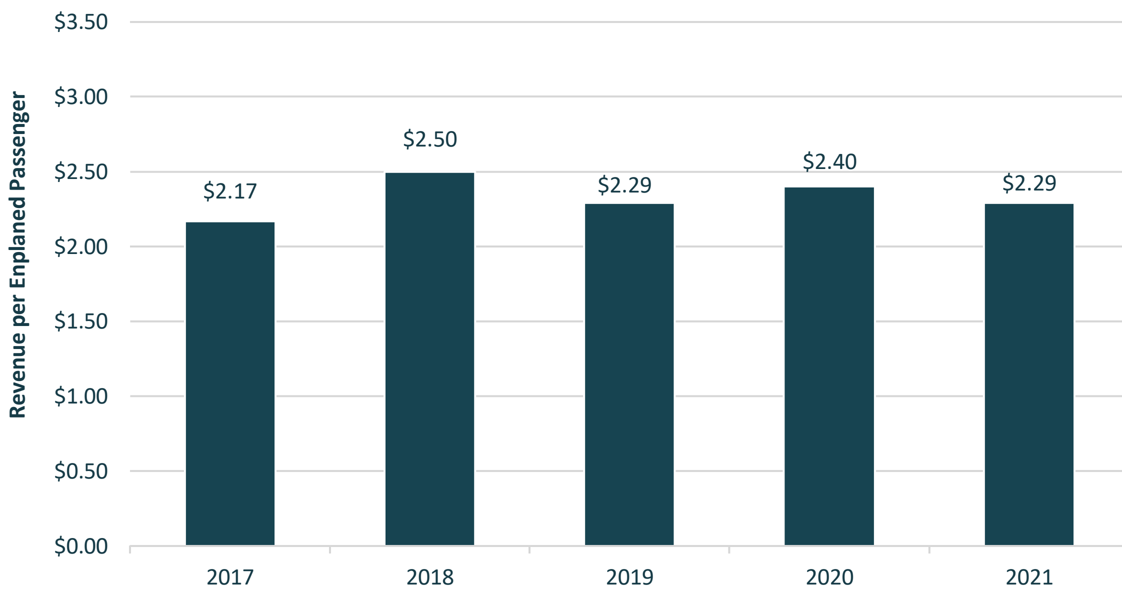
In addition to the services listed above, revenues from Department management's concession joint marketing program are in the category "terminal services." The concession joint marketing program was established by Department management and assists concessionaires in achieving increased sales and revenues. The program is funded by 1% of sales from each concessionaire in addition to concession payments to the Department.

For the five years from 2015 through 2019, annual Terminal Complex concession revenues increased at an average annual rate of growth of 8.0%. In 2019, Terminal Complex concession revenues totaled $78.9 million, and accounted for 7.4% of Gross Revenues.

Terminal Complex concession revenues were lower in 2020 due to the reduction in the number of enplaned passengers at the Airport caused by the COVID-19 pandemic and by payment deferrals pursuant to concessionaire MAG waiver program, which resulted in a $38.3 million reduction in revenues to $40.6 million in 2020. In 2021, Terminal Complex concession revenues increased over 2020 by $26.7 million to $67.3 million and accounted for 7.4% of Gross Revenues.

Figure 36 shows average terminal concession revenue per enplaned passenger for 2017 through 2021. As passenger traffic at the Airport has recovered, 2021 terminal concession revenue per enplaned passenger recovered to 2019 levels.

Figure 36
TERMINAL CONCESSION REVENUE PER ENPLANED PASSENGER
Denver International Airport



Source: Department management records.

The forecasts of merchandise and food and beverage concession revenues and terminal service revenues as reflected on Exhibit D were developed together based, in part, on the Department's 2022 budget and per passenger spend rate. It was assumed that as the Department's existing retail concession agreements and existing food and beverage concession agreements expire during the Forecast Period, new agreements would be executed with similar terms and conditions and financial performance.

Outside Concession Revenues

Outside concession revenues are generated from public automobile parking, rental car privilege fees, and ground transportation services.

Public Automobile Parking. Public automobile parking at the Airport is provided in parking structures, surface lots adjacent to the Great Hall, and remote parking lots. For the five years from 2015 through 2019, annual automobile parking revenues increased at an average annual rate of growth of 4.0%. In 2019, public parking revenues accounted for 18.3% of total Gross Revenues and 39.6% of nonairline revenues. In 2020, public parking revenues accounted for 11.4% of total Gross Revenues and 34.0% of nonairline revenues. In 2021, public parking revenues accounted for 15.6% of total Gross Revenues and 35.6% of nonairline revenues.

Table 22 lists the Department-owned parking facilities at the Airport, as well as the number of spaces and the parking rates for each facility, which are adjusted by Department management from time-to-time. Certain parking rates were last adjusted by the Department in September 2019. There was no change in the economy remote surface parking lots rates. The Department expects to adjust parking lot rates again in 2022 or 2023, and then every other year thereafter.

Standard Parking Corporation, subcontracting with Global Parking Systems, operates and manages the public parking facilities at the Airport under a management contract with the Department that was effective on February 1, 2017 and expired on January 31, 2022. The contract has been extended through January 31, 2023. Under this contract, the Department retains all rights to increase parking rates. When the extension to the existing agreement expires, Department management expects that they will either extend the agreement through the end of the Forecast Period or rebid or renegotiate terms and conditions that would produce similar or higher parking revenues to the Department.

The Department also has an agreement with LRW Investment Company, effective through October 31, 2028, to operate WallyPark, an automobile parking lot service located on Airport property. WallyPark transports its passengers to and from the Great Hall via shuttle buses.

The agreement with LRW Investment Company was recently extended from a scheduled termination in 2014 through 2028 as part of an amendment that obligates LRW to expand WallyPark parking facilities at the Airport. Published daily rates are $17.00 for self-parking, with discounts available through online reservations. Pursuant to the agreement with LRW Investment Company, the Department receives the higher of (1) a minimum annual guarantee equal to 85% of the previous year’s payment to the Department or (2) a percentage of gross revenues, ranging from 18% to 24% during the term of the agreement.

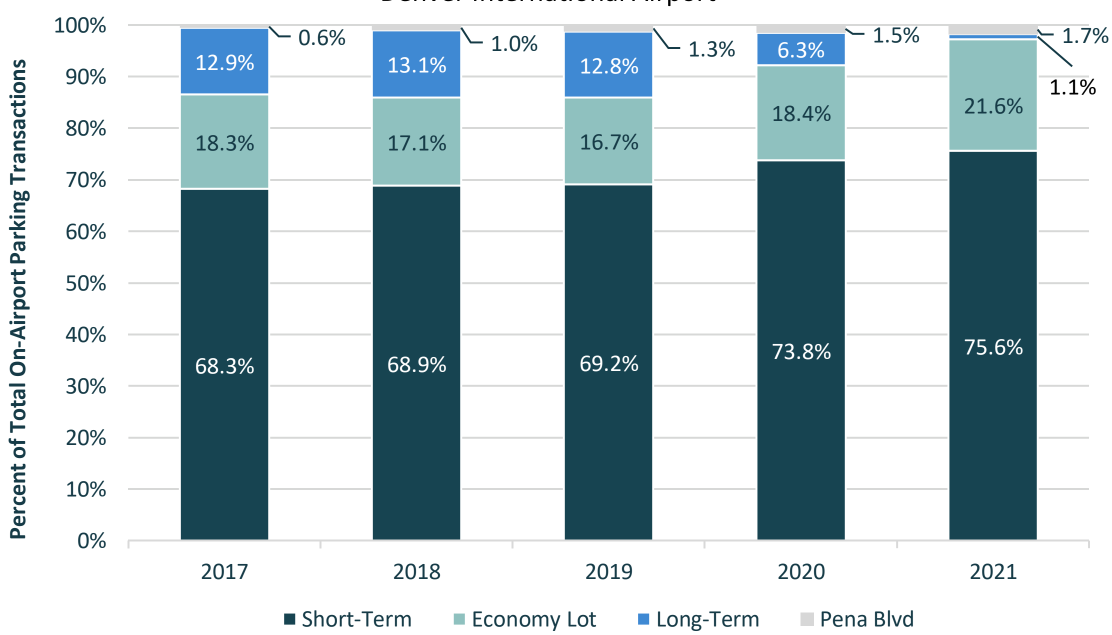
Table 22
EXISTING DEPARTMENT OWNED PUBLIC PARKING FACILITIES AND RATES
Denver International Airport

Parking facilities	Number of spaces	24-hour rate	Hourly rate
Short-term (close-in) parking			
Garages	15,993	$28	$5
Valet *(a)*	525	$35	N/A
Long-term surface lot parking	9,249	$17	$5
Economy remote surface lots *(b)*	17,405	$8	$2
61st and Peña surface lot	800	$6	N/A
	43,972		

(a) Lot(s) closed due to low passenger traffic volumes.
(b) Includes 8,304 spaces temporarily closed due to low passenger traffic volumes.
Source: Department management records, as of March 14, 2022.

Figure 37 shows the shares of parking transactions—a measure of customer use—by public parking lot for 2017 through 2021. The on-Airport public parking transactions by lot were relatively consistent at approximately 4.4 million from 2017 through 2019. In 2020 and 2021, the decrease in the percentage of transactions for the long-term parking lots was the result of lot closures due to low passenger levels.

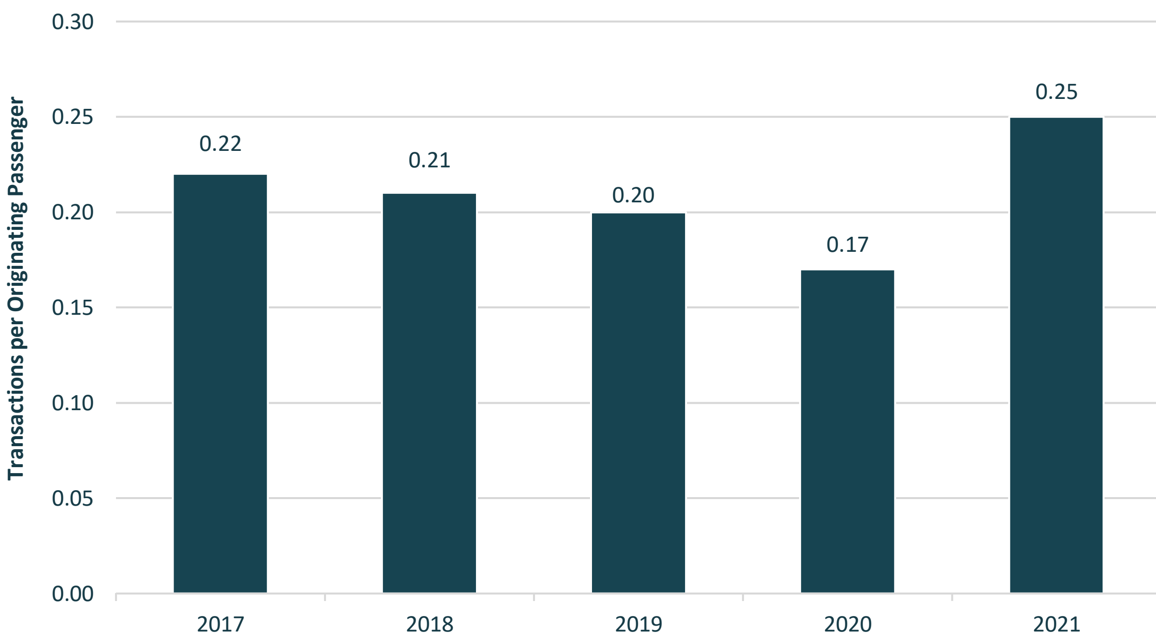
Figure 37
PERCENT OF TOTAL ON-AIRPORT PARKING TRANSACTIONS BY LOT
Denver International Airport



Notes: The short-term lot includes garage and valet spaces. Data does not include WallyPark. Columns may not add to 100% because of rounding.
Source: Department management records.

The number of parking transactions per originating passenger—a measure of the proportion of originating passengers who choose to park in Airport parking facilities prior to the pandemic—decreased over the three years from 2017 through 2019 as shown on Figure 38. According to the Department, the decrease in transactions per originating passenger from 2017 through 2019 is an indication that parking demand exceeded capacity for on-Airport parking facilities, which is one of the reasons why the Department opened the 61st and Peña lot in 2017 and expanded the number of short-term parking garage spaces in 2016. From 2017 through 2019, the number of originating passengers using the Airport increased approximately 13.2% while the number of on-Airport parking spaces, including the additional spaces added in 2016 and 2017, increased approximately 6.3%. In 2020 the number of on-airport public parking transactions per originating passenger decreased as the COVID-19 pandemic slowed all passenger traffic at the Airport. However, on-airport public parking transactions per originating passenger increased in 2021 as passenger traffic recovered and more originating passengers used on-airport parking options.

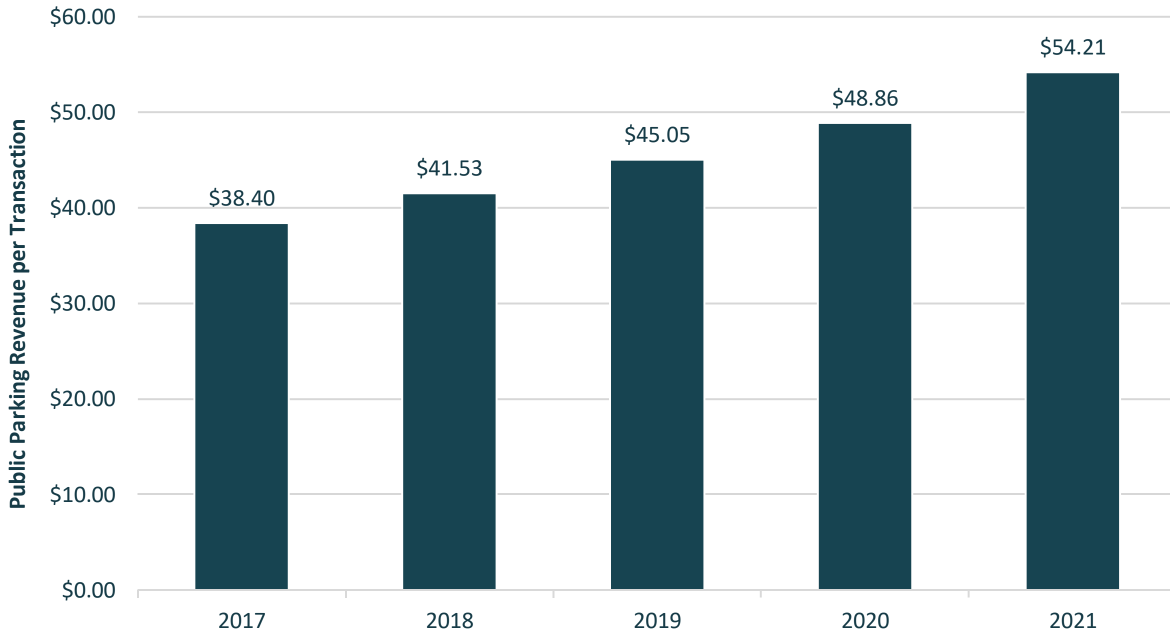
Figure 38
ON-AIRPORT PUBLIC PARKING TRANSACTIONS PER ORIGINATING PASSENGER
Denver International Airport



Note: Data does not include WallyPark.
Source: Department management records.

On-Airport public parking revenue per transaction—a measure of customers' parking duration, as well as their choice of on-Airport parking facility—is shown on Figure 39 for 2017 through 2021. The average parking revenue per transaction increased from 2017 to 2019, due, in part, to an increase in parking rates. Parking revenue per transaction increased between 2019 and 2021, due to additional parking rate increases in 2019 and the closure of certain economy and long term lots in 2020 and 2021 due to the COVID-19 pandemic.

Figure 39
ON-AIRPORT PUBLIC PARKING REVENUE PER TRANSACTION
Denver International Airport

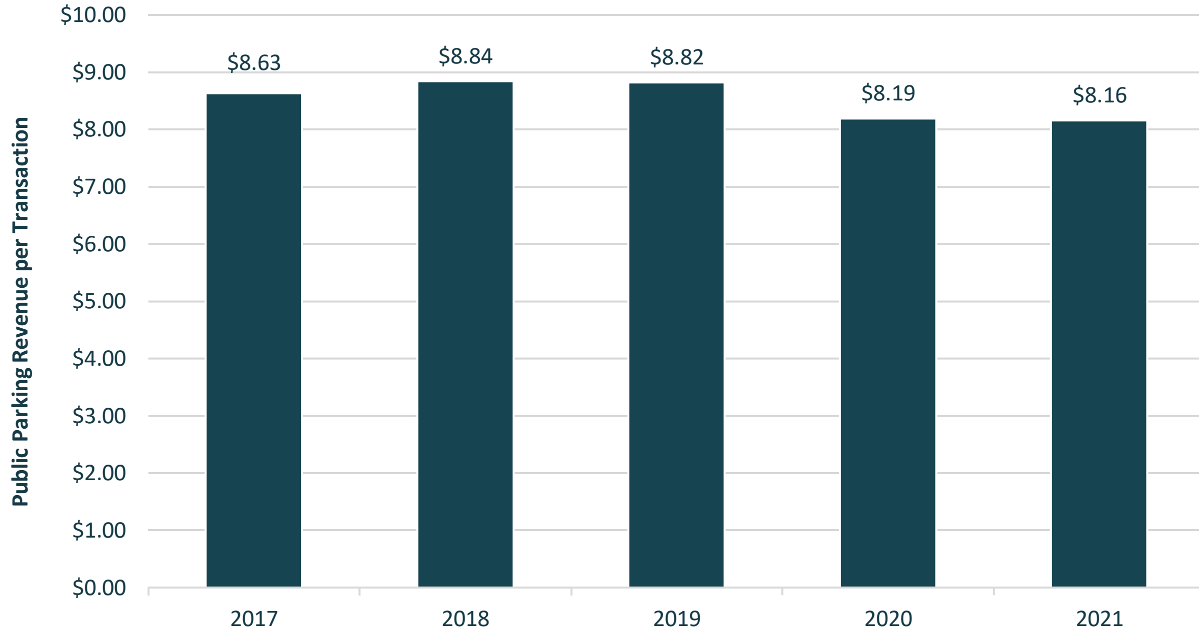


Data does not include WallyPark.
Source: Department management records.

Automobile parking revenues were lower in 2020 due to the reduction in the number of passengers using the Airport caused by the COVID-19 pandemic. As a result of reduced passenger traffic and certain economy and long-term parking lot closures, public parking revenue in 2020 decreased by $114.1 million, from $196.3 million in 2019 to $82.2 million in 2020. In 2021, automobile parking revenues rebounded to $141.3 million as originating passengers increased and accounted for 15.6% of Gross Revenues.

Figure 40 shows average automobile parking revenue per originating passenger for 2017 through 2021. Public parking revenue per originating passenger was $8.82 in 2019, $8.19 in 2020 and $8.16 in 2021. As passenger traffic at the Airport has recovered, revenues per originating passenger decreased in 2020 and 2021, likely as a result of shorter parking durations and increased use of other modes of transportation, as discussed later in this 2022 Report.

Figure 40
ON-AIRPORT PUBLIC PARKING REVENUE PER ORIGINATING PASSENGER
Denver International Airport



Data does not include WallyPark.
Source: Department management records.

A number of off-Airport parking facilities operate near the Airport including Canopy Airport Parking, DIA Park, Fine Parking, Parking Spot, and US Airport. The off-Airport parking operators provide courtesy vehicle service to and from the Landside Terminal and pay the Department an off-Airport parking privilege fee equal to 10.0% of gross revenues.

The forecast of public parking revenue as shown on Exhibit D was based on the following:

- The forecast number of originating passengers at the Airport, as shown in Table 17 of this 2022 Report.
- Consideration that Department management is not currently planning to add additional on-Airport public parking spaces during the Forecast Period.
- The average number of transactions per originating passenger returns to pre-COVID-19 pandemic levels over the Forecast Period.
- Public parking rate increases based on assumed rates of inflation starting in 2022 and each year thereafter during the Forecast Period.

Rental Car Revenues. Rental car revenues paid to the Department include privilege fees and rentals for service, storage, and building facilities. In 2019, rental car revenues accounted for 7.5% of total Gross Revenues and 16.2% of nonairline revenues. In 2020, rental car revenues accounted for 6.4% of total Gross Revenues and 19.0% of nonairline revenues. In

2021, rental car revenues accounted for 7.0% of total Gross Revenues and 15.9% of nonairline revenues.

The Department has agreements with five rental car companies that operate eleven rental car brands at the Airport: Alamo Rent A Car, Avis Rent A Car, Budget Rent A Car, Dollar Rent A Car, Enterprise Rent-A-Car, Fox Rent A Car, Hertz, National Car Rental, Payless Car Rental, SIXT Rent a Car, and Thrifty Car Rental.

The Department has recently executed a new rental car agreement (Agreement) with most of its on-Airport rental car companies, which became effective on January 1, 2022, and expires on December 31, 2027. As of the date of this 2022 Report, Avis (and its brands Budget and Payless) is still operating under its prior agreement on a month-to-month basis. The Department expects to have a new executed Agreement with Avis shortly after the date of this 2022 Report.

Under the agreements, each rental car company pays the following:

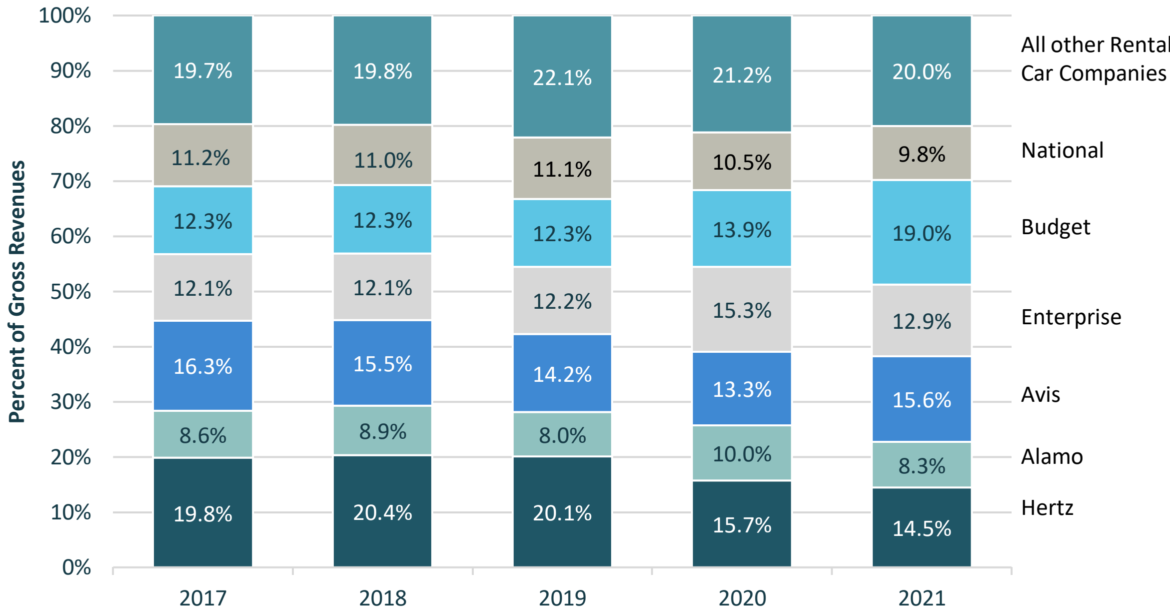
- Privilege fee equal to 10% of its annual gross revenues or a MAG, whichever is higher. The MAG is equal to 85% of the percentage rent payable in the preceding year, but no less than the highest MAG in any previous year since 2021, whichever is greater.
- Ground and facility rentals based on ground and building square footage. Each rental car company pays an additional common use service charge for its lease premises to recover the cost of services, which may include, but is not limited to busing, insurance, snow removal, landscape watering and irrigation, law enforcement and/or security officers, industrial waste handling, sewer, drainage, and trash/refuse removal.

In reaction to the negative effects of the COVID-19 pandemic on passenger travel, Hertz (and its brands Dollar and Thrifty) and Advantage (and its brand EZ Rent A Car) filed for Chapter 11 bankruptcy protection on May 22, 2020, and May 26, 2020, respectively. Hertz emerged from bankruptcy protection on June 30, 2021, while Advantage ceased all operations at the Airport.

The Department currently expects that the agreements will either be extended, rebid, or renegotiated prior to the expiration in December 2027 with terms and conditions that would produce similar or higher revenues to the City. Figure 41 presents the on-Airport rental car company market shares of gross revenue for 2017 through 2021. With the exception of Budget and Hertz, there have not been significant changes in gross revenue market shares between 2017 and 2021.

Prior to the current agreements, each on-Airport rental car company had two separate agreements with the Department, one for privilege fees and terminal building rentals, and one for ground and facility rentals. With the termination of the special facilities bonds in 2013 associated with the car rental facilities, the two separate agreements were no longer needed and have been combined into one agreement as described above.

Figure 41
ON-AIRPORT RENTAL CAR COMPANY SHARES OF GROSS REVENUES
Denver International Airport



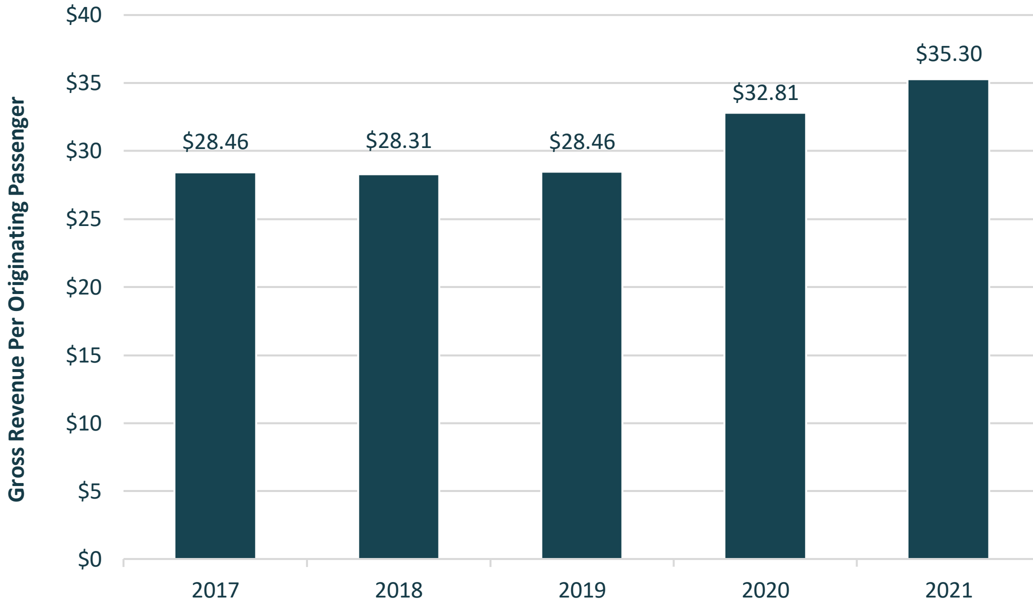
Notes: Columns may not total 100% because of rounding. "All other on-Airport companies" include Advantage Rent A Car, Dollar Rent A Car, E-Z Rent-A-Car, Fox Rent A Car, Payless Car Rental, SIXT Rent a Car, and Thrifty Car Rental. Advantage and E-Z Rent-A-Car ceased operations in 2020.
Source: Department management records.

Figure 42 presents the trend in rental car gross revenues per originating passenger at the Airport for 2017 through 2021. Rental car gross revenue per originating passenger remained level at $28.41 between 2017 and 2019 as competition stabilized per day rental rates, and increased by 15.3% to $32.81 in 2020, and 7.6% to $35.30 in 2021. The increase in rental car gross revenue per originating passenger in 2020 and 2021 is largely because the cost of renting a car has increased as demand for rental cars has exceeded the supply of cars.

Rental car privilege fee revenues were forecast as shown on Exhibit D based on the following:

- Forecast numbers of originating passengers, as presented earlier in this 2022 Report.
- Department management's expectation that, when the existing Agreement expires in 2027, it will either be extended through the Forecast Period, or be rebid or renegotiated with terms and conditions with the on-Airport rental car companies that would produce similar or higher rental car revenues to the City.
- Revenue per originating passenger is assumed to return to pre-COVID-19 pandemic levels in 2022 and then increase less than 1% per year during the Forecast Period through 2030.

Figure 42
ON-AIRPORT RENTAL CAR GROSS REVENUES PER ORIGINATING PASSENGER
Denver International Airport



Source: Department management records.

Other Outside Concession and Terminal Revenues

Other sources of outside concession and terminal revenues include employee parking fees, ground transportation services, other terminal space rentals, and the Airport hotel as shown in Exhibit D. Other outside concessions and terminal revenues accounted for 8.4% of Gross Revenues in 2019, 5.5% in 2020, and 8.8% in 2021.

Employee Parking. The Department operates two employee parking lots north of Peña Boulevard. Employee parking is also provided in the two lots adjacent to the parking garages in the Terminal Complex and in the administration building. Employees of businesses at the Airport (other than City employees) pay a monthly fee to the Department to park at these locations. Shuttle bus service is provided to the employee lots under a new contract with ABM Aviation that was effective in February of 2017 and expires January 31, 2022. The contract has been extended through January 31, 2023.

Ground Transportation Services. The Department charges the operators of all commercial ground transportation vehicles operating at the Airport based on the frequency and duration of their use of the Great Hall roadways and curbside. Access to the Great Hall curbside is controlled by an automatic vehicle identification system that tracks the frequency and duration of use by each commercial vehicle operator. Commercial vehicle operators include buses, limousines, shuttles, hotel/motel courtesy vans, off-Airport rental car vans, off-Airport parking vans, taxicab operators, and transportation network companies (TNCs), such as Uber and Lyft. In addition, Turo, a private car sharing service, has a pilot program at the Airport.

The number of trips by commercial vehicle operators at the Airport has grown from 2017 through 2019, primarily as a result of the increasing number of O&D passengers using the Airport, as well as changes in the types of commercial vehicle operators serving the Airport. Despite the growth in the number of trips, revenues in the line-item Ground Transportation Services, including TNCs, remained a relatively small portion of concession revenues in 2019 as shown on Exhibit D. Revenues through the Forecast Period are expected to remain a small portion of concession revenues.

TNCs, which started serving the Airport in 2014, have increased their share of total commercial vehicle operator trips from approximately 14.1% in 2015 (the first full year of TNCs operating at the Airport) to approximately 63.4% in 2019 and 64.7% in 2021. Other commercial vehicle operators, such as taxicabs and limousines, have seen corresponding declines in their respective shares of total commercial vehicle trips at the Airport, primarily due to the increased use of TNCs, but also due to the use of train service between the Airport and downtown Denver which started in April 2016.

Total ground transportation revenues in 2019 were 15.5% higher than 2018 primarily due to the increased number of trips by TNCs serving the Airport. Total ground transportation revenues decreased by 57.1% in 2020 due to the COVID-19 pandemic, but increased 49.5% from 2020 to 2021 as air traffic recovered at the Airport.

Airport Hotel. The Department opened a 519-room, full-service on-airport hotel in November 2015 that is operated as a Westin Hotel. The hotel is accessed from the Great Hall, the public plaza, and the train station. The hotel is owned by the Department and was originally financed from the net proceeds of the Series 2012B Bonds.

The Department has an agreement with Westin Hotels & Resorts for the hotel operation and management (the Hotel Management Agreement). The Hotel Management Agreement expires in 2030. Under the Hotel Management Agreement, Westin receives a management fee and reimbursements from the Department for certain operating expenses.

All the annual revenues, expenses,[26] and Debt Service Requirements associated with the hotel are the responsibility of the City and are reflected in the financial forecasts presented in this 2022 Report. Hotel revenues are estimated by the Department to increase by 11.7% in 2023, and are forecast to increase by an average of approximately 3.5% per year from 2024 through 2030.

For purposes of this 2022 Report, it is assumed that any hotel revenues remaining after hotel-specific O&M Expenses, Debt Service Requirements, and required fund deposits are paid will be deposited in a Redemption Account, which is to be used by the Department in the future to defease the outstanding principal of the Series 2012B Bonds issued to fund hotel project costs, as well as any subsequent refunding bonds.

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[26] Some of the hotel expenses are classified as O&M Expenses and other expenses constitute obligations to be paid from the Junior Lien Obligation Fund.

Other Terminal Space. The Department also receives rentals for storage space, customer service counters, and other space leased by nonairline tenants at the Airport.

Airfield Area Revenues

Nonairline Airfield Area revenues include general aviation landing fees, farming income, rentals for certain land parcels and structures, and fuel flowage fees. In 2019, Airfield Area revenues accounted for 0.02% of Gross Revenues, 0.05% in 2020, and 0.06% in 2021.

The Department owns all the mineral rights to all land within the boundaries of the Airport. In addition to the sources of nonairline Airfield Area revenues listed above, the Department also owns oil and gas wells. Revenues from these wells were $1.2 million in 2018, and there have been no revenues from these oil and gas wells since 2019. For purposes of this 2022 Report, no oil and gas revenues were included in the forecast of nonairline Airfield Area revenues as Department management is in the process of evaluating the long-term operation of this program.

Building and Ground Rentals

Building and ground rentals at the Airport include rentals for cargo, airline maintenance, and general aviation facilities. On Exhibit D, these revenues are summarized as follows: United Airlines support facilities, other North Airline Support Area, other South Airline Support Area, South Cargo Area, FedEx and General Aviation Area. Most of the facilities in the North and South Airline Support and Cargo Areas were financed with the net proceeds of Senior Bonds and Special Facilities Bonds. In 2019, building and ground rentals accounted for 1.2% of Gross Revenues, 1.6% in 2020, and 1.2% in 2021.

The Department has a policy of establishing and annually adjusting ground rental rates to recover all capital and operating costs allocable to land made available for lease to Airport tenants. In addition, building rentals for facilities the Department financed with the proceeds of Senior Bonds are also adjusted annually to recover O&M Expenses, debt service, and amortization charges allocable to such facilities.

In general, building and ground rentals were forecast on the basis of the following assumptions: (1) the building and ground space leased as of the date of this 2022 Report, will be occupied throughout the Forecast Period, (2) the Department will continue to establish ground rentals in a manner consistent with its adopted policy, and (3) cargo building rentals are to be established each year based on the costs included in the calculation of airline rentals, rates, fees, and charges.

Facilities Financed with Senior Bonds. The Department owns and financed the construction of cargo buildings, cargo ramp, and ground service equipment areas at the Airport, which are leased to or used by the following tenants under cargo use and lease agreements: DHL Express (USA), FedEx Corporation, and United Parcel Service. The Department also has an agreement with Air General, which only has cargo handling facilities at the Airport. As these and other agreements expire during the Forecast Period, the Department also expects that it will negotiate new agreements with similar terms and conditions.

The Department had a 25-year agreement with United Airlines for in-flight kitchen, cargo, and ground service equipment (GSE) facilities that were originally financed with Airport Bonds and Department cash. The agreement with United Airlines expired on December 31, 2018. United Airlines has retained space in the cargo and GSE facilities on a holdover basis but has relinquished the in-flight kitchen facility back to the Department. It is anticipated that United Airlines will execute new leases for the cargo and GSE facility with reduced space. Sky Chefs, Inc. leases the in-flight kitchen under a support facilities agreement that expired May 31, 2021, and had the option of two (2) one-year extensions. Sky Chefs has exercised both of its options to extend through May 31, 2023. Additional tenants in the cargo and GSE buildings include Southwest Airlines, Swissport SAUSA, and SkyWest Airlines each of which operate under short-term lease agreements of five years or less.

Frontier Airlines' maintenance hangar lease with the Department expired May 31, 2019, at which time Frontier Airlines executed a new 10-year ground and facility lease that expires May 31, 2029, with two five-year extensions.

Facilities Financed with Special Facilities Bonds. In addition to issuing Special Facilities Bonds to finance rental car facilities at the Airport, the Department issued Special Facilities Bonds to finance a line maintenance hangar and other facilities for United Airlines. The Department refunded these bonds for savings in 2017.

United Airlines leases approximately 500,000 square feet of land for facilities that were financed with proceeds from the sale of Special Facilities Bonds. These bonds were refunded in June 2007. United Airlines pays ground rent for the land it leases under its Special Facilities and Ground Lease with the Department, which is scheduled to expire on October 1, 2023, with an option to extend through October 1, 2032.

New Southwest Airlines Hangar. In August 2020, Southwest Airlines signed a 32-year agreement with the Department to lease the ground and to construct and operate an aircraft maintenance hangar and related buildings, improvements, fixtures, and equipment. Upon the expiration or early termination of the lease, all buildings, improvements, fixtures, and the equipment that are constructed on the ground will automatically become, at no cost to the Department, the sole property of the Department.

Other Existing Facilities. The U.S. Postal Service (USPS) financed its sorting and distribution facility at the Airport. Under an agreement with the Department, which was scheduled to expire in 2018 and has been extended through 2023, the USPS pays ground rent for the areas of the Airport that it uses.

Southwest Airlines has a lease on a provisioning facility (the former Sky Chef's flight kitchen). The lease began on March 1, 2015 and expired on February 28, 2020. Southwest Airlines continues to lease the facility on a holdover basis.

General aviation area revenues shown on Exhibit D include the ground rentals and aircraft fees paid by Signature Flight Support under a 30-year agreement with the Department, which is scheduled to expire in March 2025. Signature leases a 12.4-acre site at the Airport and provides fixed base operator services for corporate and other aircraft.

New Commercial Development. Department management has completed its Strategic Development Plan (the Plan) that establishes the long-term vision, guiding principles as well as land use strategy for development of its real estate asset. The Plan has identified five development districts to generate non-aeronautical revenue from the following but not limited to commercial uses including a hotel, conference space, retail, commercial office, research and development, agribusiness, and manufacturing. The Airport is allowed to develop 1,500 acres as established by the 2015 intergovernmental agreement, however, could eventually develop up to 16,000 acres pending future approvals. Currently, the Airport is procuring its west approach development district which is a mixed-use development opportunity for hospitality, retail and office space on 26 acres. No future commercial development revenues have been included in the financial forecast presented in this 2022 Report.

Other Revenues

As shown in Exhibit D, other revenues include in-flight catering, City and State aviation fuel tax proceeds, and miscellaneous revenues. In 2019, other revenues accounted for 3.5% of Gross Revenues, 2.8% in 2020 and 3.7% in 2021.

Under legislation enacted by the State of Colorado, the Department receives approximately 65% of aviation fuel tax proceeds collected by the State. The Department also receives revenues from a tax it imposes on fuel sold at the Airport. Revenues for City and State fuel tax proceeds are forecast based on passenger and cargo airline landed weight and associated estimates of gallons of fuel sold.

Interest Income

Interest income on moneys held in funds and accounts (other than the Project Fund, PFC Fund, and Bond Reserve Fund of the GBO, and the Subordinate Bond Reserve Fund of the SBO) is defined as Gross Revenues under the GBO. In 2019, interest income accounted for 3.4% of Gross Revenues, 5.7% in 2020 and 3.9% in 2021.

The forecasts of interest income (as shown on Exhibit H) were based on actual average yields earned by the Department and the forecast of fund balances. Under the Department's rate-making methodology, interest income earned on moneys in the Bond Reserve Fund and the Bond Fund is applied as a credit to all cost centers (in the same proportion as the allocation of Debt Service Requirements) in calculating rentals, rates, fees, and charges for the passenger airlines under the Airline Agreements and for the cargo airlines under the cargo use and lease agreements.

PASSENGER FACILITY CHARGE REVENUES

The Department imposes a $4.50 PFC per eligible enplaned passenger at the Airport, as approved by the FAA. Under various FAA approvals, the Department has the authority to collect and use approximately $3.6 billion in PFC revenues for PFC-eligible project costs at the Airport. Through 2021, the Department had collected and used $2.4 billion of PFC revenues.

The forecasts of annual PFC revenues are presented on Exhibit E and were based on (1) forecast numbers of enplaned passengers, as presented in the earlier section titled "Airline Traffic Forecasts" and (2) an assumed 88.0% of passengers qualifying to pay the $4.50 PFC based on actual 2021 data.

Under the PFC Supplemental Ordinance, all annual PFC revenues and PFC interest income are defined as Designated Passenger Facility Charges that are included in Gross Revenues and are used to pay, among other things, PFC-eligible Debt Service Requirements. PFC revenues to be used to pay PFC-eligible Debt Service Requirements are deposited into the Bond Fund.

In forecasting the PFC revenues included in this 2022 Report, it was assumed that PFC revenues would be used to pay PFC-eligible Debt Service Requirements under existing PFC authorizations from the FAA, and to pay PFC-eligible Debt Service Requirements and project costs under future PFC authorizations from the FAA.

The assumed use of PFC revenues to pay Debt Service Requirements during the Forecast Period is shown on Exhibit G in the calculation of airline rentals, rates, fees, and charges.

OPERATION AND MAINTENANCE EXPENSES

Exhibit F presents O&M Expenses by object type and by Airport cost center. The amounts for historical years 2019 and 2020 reflect audited financial results for the Airport System. The amounts for 2021 are unaudited and subject to change.

Estimated 2022 Operation and Maintenance Expenses

O&M Expenses estimated for 2022 are based on the Department's appropriated budget.

Historically, personnel services have represented the single largest category of expense at the Airport, which is typical of most U.S. airports. Personnel services is expected to remain the largest category of expense at the Airport throughout the Forecast Period. Personnel services include all salaries, wages, and benefits for filled staff positions, as well as all personnel costs for other City agencies providing services at the Airport such as police and fire.

The next largest category of expense at the Airport is professional services, which includes management and other contracts for the provision of services such as shuttle bus service from remote employee and public parking lots to the Terminal Complex, the operation and management of public parking facilities, and guard services at the Airport.

The third largest category of expense is repairs and maintenance, which includes the maintenance of (1) AGTS between the Landside Terminal building and each concourse, (2) computer software and technical equipment, and (3) the elevator/escalator systems. The fourth largest category of expense is cleaning services, which includes janitorial and snow removal services.

As contracts and agreements expire during the Forecast Period, Department management expects to enter into new contracts or agreements that would provide a similar or better level of service, and similar or lower annual costs to the Department.

As previously mentioned, the Department has a Hotel Management Agreement with Westin Hotels & Resorts that became effective when the hotel opened in November 2015 and is scheduled to expire 15 years from that date. Under the Hotel Management Agreement, Westin receives a management fee and reimbursements from the Department for certain operating expenses. The hotel expenses as shown in Exhibit F and Figure 43 represent approximately 6.0% of the 2022 estimated O&M Expenses of the Airport.

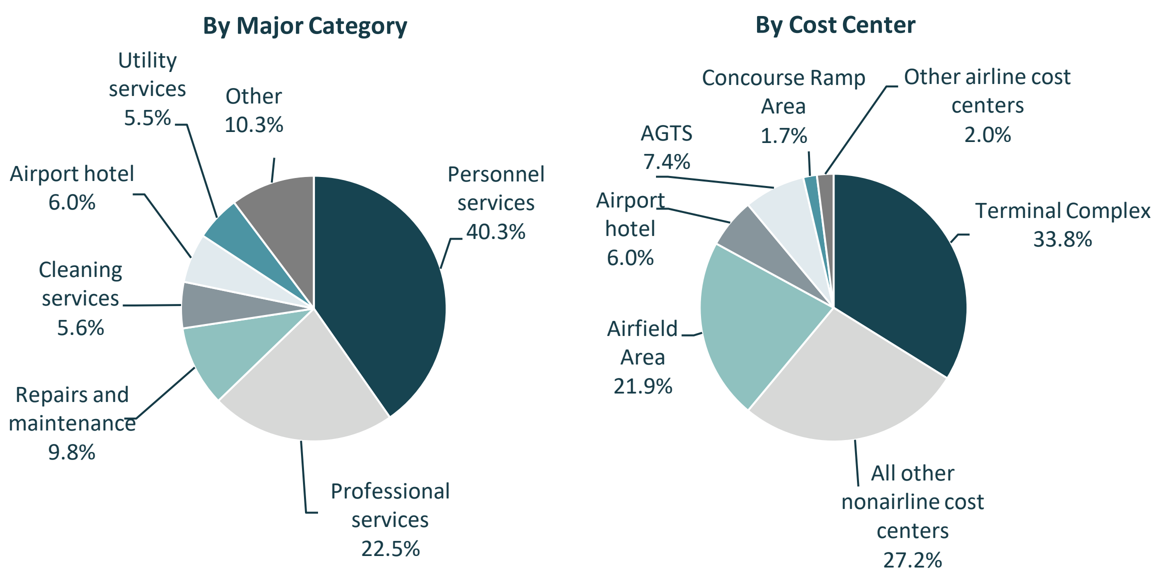
The fifth largest category of expense excluding the Airport hotel is utilities. Electricity costs for tenant-leased space, the use of tenant equipment, and tenant support facilities are billed directly to tenants, and are not included in O&M Expenses. Expenses associated with the fueling system—which is owned by the Department—are paid directly by the airlines through a third-party operator. Baggage handling expenses are paid by the Department and passed through to the airlines.

Estimated 2022 O&M Expenses were allocated to Airport cost centers by Department management based on historical Airport operations, airport industry practices, provisions in the Airline Agreements, and other considerations. The major categories of O&M Expenses for 2022 and the distribution of expenses among Airport cost centers are shown on Figure 43.

Figure 43

ESTIMATED 2022 OPERATION AND MAINTENANCE EXPENSES

Denver International Airport



Note: Totals may not add to 100% because of rounding.
Source: Department management records.

Forecast 2022-2030 Operation and Maintenance Expenses

Department management has established a targeted average annual rate of growth in O&M Expenses of approximately 3.5% per year, which includes O&M Expenses for existing facilities, except for the Airport hotel (discussed below), and additional O&M Expenses associated with projects in the Total Capital Program. O&M Expenses are forecast to increase 13.1% from $526.3 million in 2022 to $595.5 million in 2023, and then increase 3.5% annually to approximately $758.4 million in 2030.

DEBT SERVICE REQUIREMENTS

Exhibit G presents annual Debt Service Requirements for Senior Bonds, Subordinate Bonds, and Junior Lien Obligations as applicable, for Outstanding Bonds, Future Planned Bonds, and other obligations as discussed below. Debt Service Requirements for historical years are based on audited financial results provided by the City. Debt Service Requirements are shown net of capitalized interest and Coronavirus Relief Grants, if any, for purposes of meeting the Rate Maintenance Covenants of the Bond Ordinances.

Certain capital costs (i.e., furniture, fixtures, and equipment costs) associated with the Airport hotel are considered to be Junior Lien Obligations of the Airport System and are shown in Exhibit G.

Forecast revenue from Designated Passenger Facility Charges (discussed earlier in the section of this 2022 Report titled "Passenger Facility Charge Revenues") were assumed to be used to pay PFC-eligible Debt Service Requirements under the existing PFC authorizations from the FAA, and PFC-eligible project costs and eligible Debt Service Requirements under future PFC authorizations from the FAA for the purpose for calculating airline rentals, rates, fees, and charges. Debt Service Requirements for the purpose of demonstrating compliance with the Rate Maintenance Covenants of the Bond Ordinances are not reduced by Designated Passenger Facility Charge Revenues that are used to pay PFC-eligible Debt Service Requirements.

Exhibit G reflects the Designated PFC revenues and Coronavirus Relief Grants expected to be used by the Department each year to pay Debt Service Requirements. The actual amount of PFC revenues and Coronavirus Relief Grants that the Department will use to pay debt service may vary from year to year. The net Debt Service Requirements included in the calculation of airline rentals, rates, fees, and charges are also shown on Exhibit G-1.

Under interest rate exchange agreements between the City and various financial institutions, certain payments may be made to or from each financial institution equal to the difference between the fixed or variable rates payable by the City under each agreement and the fixed or variable rates payable by the financial institutions.

Under these agreements, the City's obligation to make payments to the financial institutions is subordinate to the City's payment of Debt Service Requirements on Senior Bonds, including the proposed Series 2022 Bonds. For purposes of this 2022 Report and given the methodology used to allocate Debt Service Requirements to Airport cost centers, Hedge Facility Agreements payments are included in Debt Service Requirements on Senior Bonds on Exhibit G and Exhibit

G-1 of this 2022 Report. As a result, debt service coverage on Senior Bonds would be higher than that presented in this 2022 Report if Hedge Facility Agreement payments were excluded from Debt Service Requirements on Senior Bonds and treated as Subordinate Obligations.

The Proposed Series 2022 Bonds

For purposes of this 2022 Report, the proposed Series 2022 Bonds are treated as a one-series bond issuance and Senior Debt Service Requirements are based on information provided by the City's Financial Consultant. The proposed Series 2022 Bonds are assumed to have a 5.0% fixed interest rate and a final maturity date of December 2052.

Future Planned Bonds

Based on information provided by the City's Financial Consultant, Debt Service Requirements on Future Planned Bonds, which are assumed to be issued as Senior Bonds and Subordinate Bonds in the financial forecasts presented in this 2022 Report are shown on Exhibit G and reflect (1) allowances for future changes in bond interest rates and (2) varying bond terms of primarily 20 years and 30 years.

The Department may refund certain other outstanding Airport System Revenue Bonds during the Forecast Period. The financial forecasts do not include any debt service savings from the refunding of other outstanding bond principal.

Debt Service Used for Airline Rates and Charges

Exhibit G-1 summarizes the allocation of net Debt Service Requirements on Senior Bonds, Subordinate Bonds, and Junior Lien Obligations to Airport System cost centers in accordance with procedures and formulas specified in the Airline Agreements.

APPLICATION OF REVENUES

Exhibit H presents the forecast application of Gross Revenues, including Designated Passenger Facility Charges, to the various funds and accounts under the GBO, as described below and shown on Figure 44.

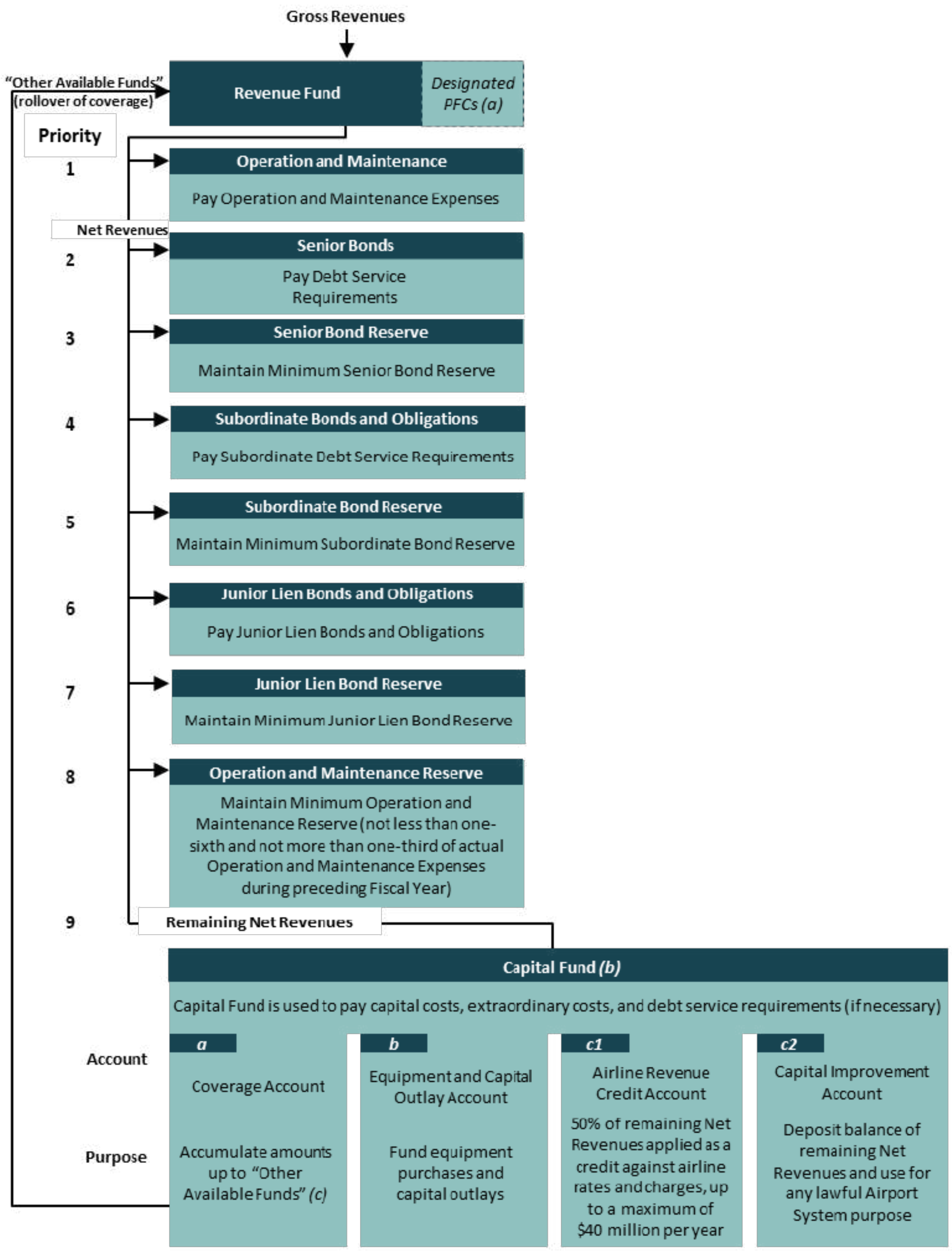
The GBO provides that Gross Revenues of the Airport are to be deposited into the Revenue Fund. Moneys held in the Revenue Fund are then to be deposited into the funds and accounts established under the GBO.

Gross Revenues remaining after the payment of O&M Expenses, Debt Service Requirements on Senior Bonds, Subordinate Bonds, and Junior Lien Obligations, and other fund deposit requirements (equal to remaining net revenues) are transferred to the Capital Fund at the end of each year. Under the Airline Agreements, certain accounts were established within the Capital Fund, as also shown on Figure 44.

Figure 44

STRUCTURE OF FUNDS AND ACCOUNTS AND APPLICATION OF REVENUES UNDER THE GENERAL BOND ORDINANCE, GENERAL SUBORDINATE BOND ORDINANCE, AND GENERAL JUNIOR LIEN BOND ORDINANCE

City and County of Denver



(a) Designated Passenger Facility Charges are included in Gross Revenues under the PFC Supplemental Ordinance.

(b) Account structure for the Capital Fund is used by the Department for accounting purposes. These accounts are not required by the General Bond Ordinance.

(c) Equal to the greater of 25% of Debt Service Requirements on Senior Bonds or 10% of the sum of the aggregate Debt Service Requirements on Senior Bonds and Subordinate Bonds.

Under various City ordinances, master Purchase Agreement payments to the financing companies do not have a lien on the Net Revenues of the Airport System or balances in the Capital Fund. Funds to make installment Purchase Agreement payments to the Financing Companies come from the Equipment and Capital Outlay Account. As of the date of this 2022 Report, the City does not have any Purchase Agreements, and it is assumed that the Department does not use Purchase Agreements over the Forecast Period.

As previously mentioned, Department management has established a concession joint marketing fund, which is intended to assist all concessionaires in achieving increased sales and revenues, and a hotel redemption account that could be used to defease principal outstanding of the 2012 Bonds. Deposits to the hotel redemption account are made after paying hotel-specific O&M Expenses, Debt Service Requirements, and any required fund deposits. In 2021, the City deposited approximately $8.3 million to the hotel redemption account. These revenues are not included in determining Net Revenues subject to the airline revenue sharing formula under the Airline Agreements.

The balance of the remaining net revenues flow to the Capital Improvement Account to be used for any lawful Airport System purpose.

DEBT SERVICE COVERAGE

Exhibit I shows forecast Net Revenues and Other Available Funds, and the calculation of debt service coverage according to the Rate Maintenance Covenants under the Bonds Ordinances.

Table 1 of the Official Statement for the proposed Series 2022 Bonds provides historical debt service coverage for Senior Bonds and Subordinate Bonds.

According to actual 2021 results, the Department had accumulated at least 25% of annual Debt Service Requirements on Senior Bonds and 10% of Debt Service Requirements on Senior Bonds and Subordinate Bonds, respectively, in the Coverage Account of the Capital Fund, which is considered Other Available Funds under the GBO and SBO; such funds can be used by the City to meet the Rate Maintenance Covenants on Senior Bonds and Subordinate Bonds in an amount not to exceed the greater of 25% of the Debt Service Requirements on such Senior Bonds or 10% of Debt Service Requirements on Senior Bonds and Subordinate Bonds. As required by the Bond Ordinances, the Department intends to deposit additional amounts, if necessary, in the Coverage Account to maintain a balance not to exceed the larger of approximately 25% of the Debt Service Requirements on Senior Bonds, or 10% of Debt Service Requirements on Senior Bonds and Subordinate Bonds, and to apply such amounts as Other Available Funds each year of the Forecast Period (through 2030) in calculating compliance with the Rate Maintenance Covenants of the Bond Ordinances.

The amount of Coronavirus Relief Grants is excluded from Debt Service Requirements under the Rate Maintenance Covenants of the Bond Ordinances when calculating debt service coverage.

Exhibit A

ESTIMATED PROJECT COSTS AND SOURCES OF FUNDS (2018-2027)

Denver International Airport

(in thousands)

ESTIMATED PROJECT COSTS		
Existing Capital Program (2018-2022)	$	4,303,700
Next Capital Program (2023-2027)		2,943,400
Total estimated project costs	**$**	**7,247,100**
ESTIMATED SOURCES OF FUNDS		
Proposed Series 2022 Bonds	$	1,568,800
Airport cash		522,000
Federal grants-in-aid		740,400
Prior bond series		2,258,800
Future Planned Bonds		2,157,100
Total estimated sources of funds	**$**	**7,247,100**

Notes: Column may not add to total shown because of rounding.
Project cost estimates include construction administration costs, contingencies, and architectural and engineering fees, as appropriate.
The costs shown above include escalation as provided by Department management.

Source: Department management records.

Exhibit A-1

ESTIMATED PROJECT COSTS AND SOURCES OF FUNDS
EXISTING CAPITAL PROGRAM (2018-2022)
Denver International Airport
(in thousands)

			Estimated sources of funds			
						Proposed Bonds
	Estimated project cost	Airport cash	Federal grants-in-aid	Prior bonds (a)	Series 2022 Senior Bonds (b)
Airfield Area and Concourse Apron					
Runway rehabilitation program	$ 132,500	$ -	$ 82,400	$ 22,400	$ 27,700
Concourse Gate Expansion (Airfield and Apron)	116,400	50,000	2,900	4,300	59,200
Gate apron rehabilitation program	72,900	-	-	36,600	36,300
Concourse A ground loading facility expansion (Airfield and Apron)	34,400	-	-	15,000	19,400
Taxiway/apron rehabilitation program	22,700	-	17,200	5,300	200
Other	80,900	-	12,600	34,300	34,000
Total Airfield Area and Concourse Apron	**$ 459,800**	**$ 50,000**	**$ 115,100**	**$ 117,900**	**$ 176,800**
Baggage System and Automated Guideway Transit System (AGTS)					
Checked Bag Resolution Areas (CBRA)	$ 216,200	$ -	$ 3,700	$ 90,400	$ 122,100
Level 5.5 Project - modification in Landside Terminal Building	162,900	-	-	76,300	86,600
AGTS car replacement program	97,600	-	-	37,700	59,900
Total Baggage System and AGTS	**$ 476,700**	**$ -**	**$ 3,700**	**$ 204,400**	**$ 268,600**
Terminal Complex					
Concourse Gate Expansion	$ 1,359,000	$ -	$ 1,400	$ 1,025,700	$ 331,900
Great Hall Project	620,000	14,300	-	479,300	126,400
Concourse Renewal Program	504,200	133,100	-	166,100	205,000
Concourse A ground loading facility expansion	144,000	144,000	-	-	-
Conveyance replacement program	43,500	-	-	6,400	37,100
HVAC refrigerant replacement program	42,700	-	-	29,200	13,500
Other	233,700	7,400	3,900	73,400	149,000
Total Terminal Complex	**$ 2,947,100**	**$ 298,800**	**$ 5,300**	**$ 1,780,100**	**$ 862,900**
Roadways, Public Parking, and Ground Transportation					
Pena Boulevard project	$ 128,900	$ -	$ -	$ 45,800	$ 83,100
Public parking program - revenue control replacement	23,800	-	-	12,500	11,300
Concourse Gate Expansion (Roadways)	15,000	-	-	-	15,000
Other	71,700	-	-	31,400	40,300
Total Roadways, Public Parking, and Ground Transportation	**$ 239,400**	**$ -**	**$ -**	**$ 89,700**	**$ 149,700**
Other Airport Areas					
Technology infrastructure improvements	$ 74,400	$ 2,000	$ -	$ 11,600	$ 60,800
Other	106,300	1,100	-	55,100	50,100
Total Other Airport Areas	**$ 180,700**	**$ 3,100**	**$ -**	**$ 66,700**	**$ 110,900**
Total	**$ 4,303,700**	**$ 352,000**	**$ 124,100**	**$ 2,258,800**	**$ 1,568,800**

Notes: Columns may not add to totals shown because of rounding.
Project cost estimates include construction administration costs, contingencies, and architectural and engineering fees, as appropriate.
The costs shown above include escalation as provided by Department management.
Source: Department management records.
(a) Includes certain net proceeds of the 2013 and 2018 Subordinate Bonds.
(b) Amounts shown include funding from the 2021 Interim Note Subordinate Obligation, which will be refunded with the proposed Series 2022 Bonds as referenced in this 2022 Report.

Exhibit A-2

ESTIMATED PROJECT COSTS AND SOURCES OF FUNDS
NEXT CAPITAL PROGRAM (2023-2027)
Denver International Airport
(in thousands)

		Estimated sources of funds				
				Future Planned Bonds		
	Estimated project cost	Airport cash	Federal grants-in-aid	Senior Bonds	Subordinate Bonds	Total
Airfield Area and Concourse Apron						
De-icing capacity program	$ 151,500	$ -	$ 62,500	$ -	$ 89,000	$ 89,000
Runway rehabilitation program	131,000	-	91,000	-	40,000	40,000
7th Runway project (study and design)	121,500	-	56,600	-	64,900	64,900
DS east expansion project	85,000	-	41,600	-	43,400	43,400
Gate apron rehabilitation program	58,600	-	-	-	58,600	58,600
Taxiway/apron rehabilitation program	41,900	-	29,300	-	12,600	12,600
Other	78,500	-	55,400	-	23,100	23,100
Total Airfield Area and Concourse Apron	**$ 668,000**	**$ -**	**$ 336,400**	**$ -**	**$ 331,600**	**$ 331,600**
Baggage System and Automated Guideway Transit System (AGTS)						
Baggage renewal and replacement program	$ 289,100	$ -	$ 202,400	$ 60,500	$ 26,200	$ 86,700
Baggage recap	126,000	-	56,000	-	70,000	70,000
AGTS car replacement program	95,000	-	-	-	95,000	95,000
Total Baggage System and AGTS	**$ 510,100**	**$ -**	**$ 258,400**	**$ 60,500**	**$ 191,200**	**$ 251,700**
Terminal Complex						
Completion phase of the Great Hall Project	$ 1,050,000	$ 170,000	$ -	$ 880,000	$ -	$ 880,000
Concourse Renewal Program	148,400	-	-	148,400	-	148,400
Physical access control system replacement program	78,500	-	-	78,500	-	78,500
Passenger conveyance modernization program	62,200	-	-	62,200	-	62,200
Other	52,800	-	1,500	51,300	-	51,300
Total Terminal Complex	**$ 1,391,900**	**$ 170,000**	**$ 1,500**	**$ 1,220,400**	**$ -**	**$ 1,220,400**
Roadways, Public Parking, and Ground Transportation						
Annual landside pavement rehabilitation	$ 30,000	$ -	$ -	$ -	$ 30,000	$ 30,000
Roadway program for remote parking area	30,000	-	-	-	30,000	30,000
Pena Boulevard project	18,500	-	13,000	-	5,500	5,500
Other	47,500	-	-	-	47,500	47,500
Total Roadways, Public Parking, and Ground Transportation	**$ 126,000**	**$ -**	**$ 13,000**	**$ -**	**$ 113,000**	**$ 113,000**
Other Airport Areas						
Technology infrastructure improvements	$ 148,200	$ -	$ -	$ 119,200	$ 29,000	$ 148,200
DEN real estate	36,600	-	-	-	36,600	36,600
Other	62,600	-	7,000	-	55,600	55,600
Total Other Airport Areas	**$ 247,400**	**$ -**	**$ 7,000**	**$ 119,200**	**$ 121,200**	**$ 240,400**
Total	**$ 2,943,400**	**$ 170,000**	**$ 616,300**	**$ 1,400,100**	**$ 757,000**	**$ 2,157,100**

Notes: Columns may not add to totals shown because of rounding.
Project cost estimates include construction administration costs, contingencies, and architectural and engineering fees, as appropriate.
The costs shown above include escalation as provided by Department management.
Source: Department management records.

Exhibit B

ESTIMATED PLAN OF FINANCING--FUTURE PLANNED BONDS
Denver International Airport
Fiscal Years Ending December 31
(in thousands)

	Existing Capital Program	Future Planned Bonds							
		Next Capital Program (b)							
	Proposed 2022 Bonds (a)	2023	2024	2025	2026	2027	Total	2028 (c)	Total Future Planned Bonds
TOTAL SENIOR AND SUBORDINATE BONDS									
Sources of funds									
Par amount	$ 1,843,700	$ 927,700	$ 540,900	$ 436,900	$ 320,700	$ 429,800	$ 2,656,000	$ 311,800	$ 2,967,800
Interest earnings	13,600	6,600	3,800	3,000	2,200	3,000	18,600	2,300	20,900
Original issue premium	-	-	-	-	-	-	-	-	-
Total sources of funds	**$ 1,857,300**	**$ 934,300**	**$ 544,700**	**$ 439,900**	**$ 322,900**	**$ 432,800**	**$ 2,674,600**	**$ 314,100**	**$ 2,988,700**
Uses of funds									
Project costs	$ 1,568,800	$ 767,600	$ 437,100	$ 348,900	$ 256,800	$ 346,700	$ 2,157,100	$ 263,000	$ 2,420,100
Bond reserve fund	135,700	55,000	39,300	31,600	22,500	27,900	176,300	27,400	203,700
Capitalized interest fund	125,100	97,800	60,200	52,900	38,800	51,700	301,400	19,000	320,400
Cost of issuance	27,700	13,900	8,100	6,500	4,800	6,500	39,800	4,700	44,500
Total uses of funds	**$ 1,857,300**	**$ 934,300**	**$ 544,700**	**$ 439,900**	**$ 322,900**	**$ 432,800**	**$ 2,674,600**	**$ 314,100**	**$ 2,988,700**
SENIOR BONDS									
Sources of funds									
Par amount	$ 1,843,700	$ 697,400	$ 204,700	$ 242,100	$ 203,800	$ 352,800	$ 1,700,800	$ -	$ 1,700,800
Interest earnings	13,600	5,000	1,500	1,700	1,400	2,500	12,100	-	12,100
Original issue premium	-	-	-	-	-	-	-	-	-
Total sources of funds	**$ 1,857,300**	**$ 702,400**	**$ 206,200**	**$ 243,800**	**$ 205,200**	**$ 355,300**	**$ 1,712,900**	**$ -**	**$ 1,712,900**
Uses of funds									
Project costs	$ 1,568,800	$ 582,200	$ 169,300	$ 196,600	$ 165,500	$ 286,500	$ 1,400,100	$ -	$ 1,400,100
Bond reserve fund	135,700	36,600	11,300	14,500	12,200	21,200	95,800	-	95,800
Capitalized interest fund	125,100	73,200	22,500	29,100	24,500	42,300	191,600	-	191,600
Cost of issuance	27,700	10,400	3,100	3,600	3,000	5,300	25,400	-	25,400
Total uses of funds	**$ 1,857,300**	**$ 702,400**	**$ 206,200**	**$ 243,800**	**$ 205,200**	**$ 355,300**	**$ 1,712,900**	**$ -**	**$ 1,712,900**
SUBORDINATE BONDS									
Sources of funds									
Par amount	$ -	$ 230,300	$ 336,200	$ 194,800	$ 116,900	$ 77,000	$ 955,200	$ 311,800	$ 1,267,000
Interest earnings	-	1,600	2,300	1,300	800	500	6,500	2,300	8,800
Original issue premium	-	-	-	-	-	-	-	-	-
Total sources of funds	**$ -**	**$ 231,900**	**$ 338,500**	**$ 196,100**	**$ 117,700**	**$ 77,500**	**$ 961,700**	**$ 314,100**	**$ 1,275,800**
Uses of funds									
Project costs	$ -	$ 185,400	$ 267,800	$ 152,300	$ 91,300	$ 60,200	$ 757,000	$ 263,000	$ 1,020,000
Bond reserve fund	-	18,400	28,000	17,100	10,300	6,700	80,500	27,400	107,900
Capitalized interest fund	-	24,600	37,700	23,800	14,300	9,400	109,800	19,000	128,800
Cost of issuance	-	3,500	5,000	2,900	1,800	1,200	14,400	4,700	19,100
Total uses of funds	**$ -**	**$ 231,900**	**$ 338,500**	**$ 196,100**	**$ 117,700**	**$ 77,500**	**$ 961,700**	**$ 314,100**	**$ 1,275,800**

Notes: Columns may not add to totals shown because of rounding.
The exhibit above presents project costs funded with bond proceeds only, and does not include Airport cash, federal grants-in-aid, or other sources.
(a) Reflects the issuance of the proposed Series 2022 Bonds, which are expected to fund the remaining project costs in the Existing Capital Program as reflected on Exhibit A-1.
(b) Reflects the issuance of Future Planned Bonds, which are expected to fund the remaining project costs in the Next Capital Program as reflected on Exhibit A-2.
(c) Reflects the issuance of Future Planned Bonds, which are expected to fund the remaining project costs for the completion phase of the Great Hall Project.

Exhibit C

AIRLINE RENTALS, RATES, FEES, AND CHARGES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except rates)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Exhibit		Actual (a)		Unaudited actual	Estimate	Forecast							
	reference	**Calculation**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Airline Revenues														
Landing fees			$ 177,161	$ 135,343	$ 153,591	$ 175,900	$ 201,900	$ 230,800	$ 243,600	$ 224,300	$ 231,800	$ 234,000	$ 240,700	$ 257,300
Terminal Complex rentals			74,542	81,280	73,961	111,900	172,400	194,100	206,400	203,000	211,300	217,300	242,300	243,000
Nonpreferential, commuter, and common-use gates (b)			7,692	8,424	9,913	6,400	8,700	9,400	9,900	10,000	10,300	10,600	11,200	11,100
Ticket counter per use fees			438	135	298	400	500	600	600	600	700	700	800	800
Tenant finishes and equipment charges (c)			22,632	22,006	19,018	21,700	22,100	20,100	20,400	14,200	13,500	13,700	13,600	12,700
Conventional baggage system fees			20,052	30,163	22,082	24,900	29,100	50,300	64,400	70,000	73,300	74,700	77,700	80,000
International facility fees			14,753	4,992	11,198	18,000	18,900	20,000	21,100	22,300	23,600	24,900	26,300	27,800
AGTS charges			46,880	48,125	37,094	57,500	59,200	66,000	67,400	67,600	71,100	73,500	75,400	78,000
Baggage claim charges			15,347	16,179	14,077	19,000	25,900	29,300	30,900	30,600	31,800	32,800	36,500	36,600
Concourse ramp fees			13,350	15,829	8,191	17,300	30,000	34,400	37,600	38,000	38,400	39,600	40,800	36,100
Common use system equipment fees			319	344	437	700	500	500	400	500	500	600	600	600
Fueling system charges			10,839	12,533	10,070	17,100	18,000	17,600	17,200	13,100	13,100	13,000	12,900	12,300
Total rentals, rates, fees, and charges			**$ 404,007**	**$ 375,355**	**$ 359,930**	**$ 470,800**	**$ 587,200**	**$ 673,100**	**$ 719,900**	**$ 694,200**	**$ 719,400**	**$ 735,400**	**$ 778,800**	**$ 796,300**
Less: Deposit to Airline Revenue Credit Account	H		(40,000)	(28,375)	(40,000)	(50,000)	(40,000)	(40,000)	(26,700)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Net rentals, rates, fees, and charges			**$ 364,007**	**$ 346,979**	**$ 319,930**	**$ 420,800**	**$ 547,200**	**$ 633,100**	**$ 693,200**	**$ 654,200**	**$ 679,400**	**$ 695,400**	**$ 738,800**	**$ 756,300**
Less: cargo carrier landing and other fees (d)			(7,758)	(9,398)	(8,051)	(8,500)	(9,700)	(10,900)	(11,400)	(10,400)	(10,700)	(10,700)	(10,900)	(11,500)
Net passenger airline rentals, rates, fees & charges		[A]	**$ 356,249**	**$ 337,581**	**$ 311,879**	**$ 412,300**	**$ 537,500**	**$ 622,200**	**$ 681,800**	**$ 643,800**	**$ 668,700**	**$ 684,700**	**$ 727,900**	**$ 744,800**
Enplaned passengers (e)		[B]	34,513	16,874	29,418	34,876	35,922	37,000	38,110	39,253	40,431	41,644	42,893	44,180
Airline cost per enplaned passenger		[A/B]	**$ 10.33**	**$ 20.01**	**$ 10.60**	**$ 11.82**	**$ 14.96**	**$ 16.82**	**$ 17.89**	**$ 16.40**	**$ 16.54**	**$ 16.44**	**$ 16.97**	**$ 16.86**

(a) Source: Department management records based on audited financial results.
(b) Includes the Concourse A ground loading facility and airfield bus access fee.
(c) Includes debt service associated with the Concourse B regional jet facility and LED signage at certain ticket counters.
(d) Cargo carriers do not enplane passengers. As such, their landing fees are excluded from the calculation of the average airline cost per enplaned passenger.
(e) See Table 17 of the Report.

Exhibit C-1

LANDING FEES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except rates)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Exhibit reference	Actual (a) 2019	Actual (a) 2020	Unaudited actual 2021	Estimate 2022	Forecast 2023	2024	2025	2026	2027	2028	2029	2030
Operation and Maintenance Expenses	F	$ 106,937	$ 98,670	$ 99,996	$ 115,300	$ 129,000	$ 133,600	$ 138,200	$ 143,100	$ 148,100	$ 153,400	$ 158,800	$ 164,300
Operation and Maintenance Reserve Account replenishment (b)		1,168	-	-	200	4,400	3,400	1,100	1,200	1,200	1,300	1,300	1,300
Equipment and capital outlays		2,227	4,634	204	16,300	13,100	13,400	13,800	14,100	14,500	14,900	15,300	15,700
Debt Service Requirements	G-1	49,461	13,516	34,717	27,400	40,800	66,800	87,600	65,800	68,300	64,800	65,800	76,700
Variable rate bond fees (c)		47	31	4	100	100	100	100	100	100	100	100	100
Amortization charges		19,154	20,538	20,217	18,900	16,800	16,200	5,600	3,800	3,800	3,800	3,800	3,800
Other allocable costs		288	287	257	300	500	500	500	400	500	500	500	500
Capital cost of north site (50%)		1,156	1,082	1,126	1,100	1,100	1,000	1,100	400	300	300	300	300
Total Airfield Area Requirement		**$ 180,439**	**$ 138,758**	**$ 156,521**	**$ 179,600**	**$ 205,800**	**$ 235,000**	**$ 248,000**	**$ 228,900**	**$ 236,800**	**$ 239,100**	**$ 245,900**	**$ 262,700**
Less credits:													
Nonairline revenues	D	$ (180)	$ (346)	$ (542)	$ (500)	$ (500)	$ (500)	$ (500)	$ (500)	$ (700)	$ (700)	$ (700)	$ (700)
Nonsignatory airline landing fees (d)		(783)	(494)	(736)	(500)	(500)	(600)	(700)	(600)	(600)	(600)	(700)	(700)
Costs allocable to specific airline(s) for additional deicing equipment		-	-	-	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)
Interest income (e)		(3,099)	(3,069)	(2,256)	(1,900)	(2,100)	(2,400)	(2,600)	(2,800)	(3,000)	(3,100)	(3,200)	(3,400)
Net Airfield Area Requirement		**$ 176,378**	**$ 134,849**	**$ 152,987**	**$ 175,400**	**$ 201,400**	**$ 230,200**	**$ 242,900**	**$ 223,700**	**$ 231,200**	**$ 233,400**	**$ 240,000**	**$ 256,600**
Signatory Airline landed weight (1,000 pound units) (f)		37,529	26,057	35,502	39,400	40,500	41,700	42,900	44,200	45,500	46,900	48,300	49,700
Signatory Airline landing fee rate		**$ 4.70**	**$ 5.18**	**$ 4.31**	**$ 4.45**	**$ 4.97**	**$ 5.52**	**$ 5.66**	**$ 5.06**	**$ 5.08**	**$ 4.98**	**$ 4.97**	**$ 5.16**
Total Signatory Airline landing fees		**$ 176,378**	**$ 134,849**	**$ 152,987**	**$ 175,400**	**$ 201,400**	**$ 230,200**	**$ 242,900**	**$ 223,700**	**$ 231,200**	**$ 233,400**	**$ 240,000**	**$ 256,600**

(a) Source: Department management records based on audited financial results.
(b) Allocated to Airport cost centers based on Operation and Maintenance Expenses.
(c) Source: Department management records; allocated to Airport cost centers based on debt service.
(d) Reflects the calculated Signatory Airline landing fee rate multiplied by a 20% premium and assessed to nonsignatory airline landed weight and includes airfield bus access fee revenues.
(e) Allocated to all Airport cost centers based on Debt Service Requirements on bonds issued to construct the Airport.
(f) The Signatory Airline portion of landed weight was estimated based on historical shares of traffic.

Exhibit C-2

TERMINAL COMPLEX RENTALS
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except rates)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Exhibit	Actual (a)		Unaudited actual	Estimate	Forecast							
	reference	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operation and Maintenance Expenses	F	$ 138,410	$ 130,378	$ 130,568	$ 178,300	$ 199,400	$ 206,100	$ 213,600	$ 221,100	$ 229,000	$ 237,000	$ 245,300	$ 253,800
Less: Loading bridge maintenance expenses (b)		(1,223)	(702)	(661)	(1,000)	(1,100)	(1,100)	(1,200)	(1,200)	(1,300)	(1,300)	(1,400)	(1,400)
Operation and Maintenance Reserve Account replenishment (c)		1,570	-	-	200	6,800	5,300	1,800	1,800	1,900	1,900	2,000	2,100
Equipment and capital outlays		499	416	90	1,900	2,900	3,000	3,100	3,200	3,300	3,300	3,400	3,500
Debt Service Requirements	G-1	42,356	56,695	30,461	57,800	156,000	190,400	232,300	213,300	222,300	225,000	267,100	260,600
Less: Great Hall LED signage (d)		-	-	(36)	(427)	(427)	(427)	(427)	(427)	-	-	-	-
Variable rate bond fees (e)		107	70	9	200	200	200	200	200	200	200	200	200
Amortization charges		9,189	14,651	14,550	14,700	15,000	23,400	19,900	24,200	25,700	29,000	34,800	34,700
Other allocable costs		689	687	615	800	1,100	1,100	1,200	1,100	1,100	1,100	1,200	1,200
Total Terminal Complex Requirement		**$ 191,597**	**$ 202,196**	**$ 175,597**	**$ 252,473**	**$ 379,873**	**$ 427,973**	**$ 470,473**	**$ 463,273**	**$ 482,200**	**$ 496,200**	**$ 552,600**	**$ 554,700**
Less credits: Interest income (f)		(7,413)	(7,342)	(5,398)	(4,600)	(4,900)	(5,800)	(6,300)	(6,700)	(7,100)	(7,400)	(7,700)	(8,200)
Net Terminal Complex Requirement		$ 184,184	$ 194,854	$ 170,199	$ 247,873	$ 374,973	$ 422,173	$ 464,173	$ 456,573	$ 475,100	$ 488,800	$ 544,900	$ 546,500
Rentable space (square feet) (g)		2,084	2,087	2,104	2,357	2,538	2,538	2,627	2,627	2,627	2,627	2,627	2,627
Average rental rate per square foot		**$ 88.39**	**$ 93.36**	**$ 80.90**	**$ 105.15**	**$ 147.74**	**$ 166.34**	**$ 176.69**	**$ 173.80**	**$ 180.85**	**$ 186.06**	**$ 207.42**	**$ 208.03**
Average rental rate per square foot at 100%		$ 88.39	$ 93.36	$ 80.90	$ 105.15	$ 147.74	$ 166.34	$ 176.69	$ 173.80	$ 180.85	$ 186.06	$ 207.42	$ 208.03
Differential rental rate per square foot at 65%		$ 57.45	$ 60.68	$ 52.59	$ 68.35	$ 96.03	$ 108.12	$ 114.85	$ 112.97	$ 117.55	$ 120.94	$ 134.82	$ 135.22
Total airline space rentals (h)		**$ 74,458**	**$ 79,544**	**$ 72,348**	**$ 111,900**	**$ 172,400**	**$ 194,100**	**$ 206,400**	**$ 203,000**	**$ 211,300**	**$ 217,300**	**$ 242,300**	**$ 243,000**

(a) Source: Department management records based on audited financial results.
(b) Allocated expenses recovered through tenant finish charges.
(c) Allocated to Airport cost centers based on Operation and Maintenance Expenses.
(d) Allocated debt service recovered through tenant finish charges.
(e) Source: Department management records; allocated to Airport cost centers based on debt service.
(f) Allocated to all Airport cost centers based on Debt Service Requirements on bonds issued to construct the Airport.
(g) Includes changes in rentable space resulting from the Airport's Capital Program.
(h) Includes exclusive, preferential, and joint-use space rentals.

Exhibit D

REVENUES OTHER THAN
AIRLINE RENTALS, RATES, FEES, AND CHARGES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except percentages)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Actual (a)		Unaudited actual	Estimate	Forecast							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Terminal Complex concession revenues												
Food and beverage	$ 42,833	$ 20,192	$ 36,671	$ 44,000	$ 48,300	$ 51,100	$ 54,100	$ 57,200	$ 60,400	$ 63,900	$ 67,600	$ 71,500
Merchandise	18,000	11,320	18,194	21,800	23,100	24,400	25,800	27,300	28,800	30,500	32,200	34,100
Terminal services (b)	18,067	9,048	12,452	19,100	19,900	20,800	21,800	22,800	23,900	25,000	26,200	27,500
Total Terminal Complex concession revenues	**$ 78,901**	**$ 40,561**	**$ 67,318**	**$ 84,900**	**$ 91,300**	**$ 96,300**	**$ 101,700**	**$ 107,300**	**$ 113,100**	**$ 119,400**	**$ 126,000**	**$ 133,100**
Outside concession revenues												
Public automobile parking	$ 196,336	$ 82,164	$ 141,324	$ 181,000	$ 192,000	$ 202,700	$ 210,700	$ 218,900	$ 227,500	$ 236,500	$ 245,700	$ 255,400
Rental car privilege fees	67,405	32,350	63,258	66,800	69,000	71,200	73,600	76,000	78,500	81,100	83,700	86,500
Ground transportation	19,982	8,569	13,835	16,700	18,300	19,900	21,300	22,700	24,300	25,900	27,700	29,500
Total outside concession revenues	**$ 283,723**	**$ 123,083**	**$ 218,418**	**$ 264,500**	**$ 279,300**	**$ 293,800**	**$ 305,600**	**$ 317,600**	**$ 330,300**	**$ 343,500**	**$ 357,100**	**$ 371,400**
Other outside concessions and terminal revenues												
Employee parking fees	$ 7,166	$ 6,094	$ 6,485	$ 7,500	$ 7,700	$ 7,900	$ 8,100	$ 8,300	$ 8,500	$ 8,800	$ 9,000	$ 9,200
Rental car												
Service and storage rentals (c)	7,586	8,287	9,798	8,500	8,800	9,000	9,200	9,500	9,700	10,000	10,300	10,500
Additional building rentals (d)	5,357	5,357	5,357	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Other terminal space rentals	901	883	948	1,100	1,200	1,200	1,200	1,200	1,300	1,300	1,400	1,400
Hotel	62,088	24,481	43,674	63,000	70,000	73,000	75,000	78,000	81,000	84,000	87,000	90,000
Total other outside concessions and terminal revenues	**$ 83,098**	**$ 45,101**	**$ 66,261**	**$ 85,500**	**$ 93,100**	**$ 96,500**	**$ 98,900**	**$ 102,400**	**$ 105,900**	**$ 109,500**	**$ 113,100**	**$ 116,500**
Airfield												
General aviation landing fees	$ 121	$ 148	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 300	$ 300	$ 300	$ 300
Farming income	200	143	245	200	200	200	200	200	300	300	300	300
Oil and gas royalty revenues	(237)	(6)	(2)	-	-	-	-	-	-	-	-	-
Fuel flowage fees	95	61	99	100	100	100	100	100	100	100	100	100
Total Airfield	**$ 180**	**$ 346**	**$ 542**	**$ 500**	**$ 500**	**$ 500**	**$ 500**	**$ 500**	**$ 700**	**$ 700**	**$ 700**	**$ 700**
Building and ground rentals												
United support facilities	$ 2,101	$ 1,374	$ 823	$ 800	$ 800	$ 800	$ 900	$ 500	$ 600	$ 500	$ 500	$ 500
Other North Airline Support Area	3,674	2,927	3,641	6,000	6,500	6,500	6,700	5,700	5,900	6,100	6,300	6,400
Other South Airline Support Area	465	1,167	647	2,000	2,100	2,000	2,200	1,400	1,500	1,500	1,500	1,600
South Cargo Area	5,303	5,880	5,485	4,100	4,400	4,200	4,600	3,300	3,400	3,400	3,500	3,500
FedEx	582	582	582	600	600	600	600	600	600	600	600	600
General Aviation Area	531	492	508	500	500	500	500	500	500	500	500	500
Total building and ground rentals	**$ 12,656**	**$ 12,422**	**$ 11,687**	**$ 14,000**	**$ 14,900**	**$ 14,600**	**$ 15,500**	**$ 12,000**	**$ 12,500**	**$ 12,600**	**$ 12,900**	**$ 13,100**
Other revenues												
In-flight catering fees	$ 1,892	$ 461	$ 152	$ 2,000	$ 2,100	$ 2,200	$ 2,300	$ 2,500	$ 2,600	$ 2,800	$ 2,900	$ 3,100
Aviation fuel tax proceeds												
City	9,695	1,975	7,707	9,000	9,200	9,400	9,600	9,700	9,900	10,200	10,400	10,600
State	15,769	7,814	13,920	13,700	14,100	14,300	14,600	14,800	15,200	15,500	15,800	16,200
Miscellaneous revenues	10,122	10,292	11,970	10,000	10,200	10,400	10,600	10,700	11,000	11,200	11,500	11,700
Total other revenues	**$ 37,479**	**$ 20,542**	**$ 33,748**	**$ 34,700**	**$ 35,600**	**$ 36,300**	**$ 37,100**	**$ 37,700**	**$ 38,700**	**$ 39,700**	**$ 40,600**	**$ 41,600**
Total revenues other than airline rentals, rates, fees and charges	**$ 496,036**	**$ 242,055**	**$ 397,973**	**$ 484,100**	**$ 514,700**	**$ 538,000**	**$ 559,300**	**$ 577,500**	**$ 601,200**	**$ 625,400**	**$ 650,400**	**$ 676,400**
Annual rate of growth	6.7%	(51.2%)	64.4%	21.6%	6.3%	4.5%	4.0%	3.3%	4.1%	4.0%	4.0%	4.0%

(a) Source: Department management records based on audited financial results.
(b) Includes, but is not limited to, advertising, baggage cart, other in-terminal concession revenues, off-Airport parking concession privilege fee, and concessions joint marketing fund.
(c) Reflects ground and facility rentals and car-sharing revenues.
(d) Reflects additional rentals payable by the rental car companies to the City.

Exhibit E

PASSENGER FACILITY CHARGE REVENUES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except percentages)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Actual (a)		Unaudited actual	Estimate	Forecast							
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Enplaned passengers	34,513	16,874	29,418	34,880	35,920	37,000	38,110	39,250	40,430	41,640	42,890	44,180
Percent of eligible enplaned passengers (b)	87.4%	87.6%	87.9%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
Eligible enplaned passengers	30,178	14,788	25,854	30,690	31,610	32,560	33,540	34,540	35,580	36,640	37,740	38,880
Passenger Facility Charge (PFC) amount (c)	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50
Less: airline collection fee (d)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Net PFC amount	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39
Annual PFC revenues	$ 132,484	$ 64,921	$ 113,500	$ 134,700	$ 138,800	$ 142,900	$ 147,200	$ 151,600	$ 156,200	$ 160,800	$ 165,700	$ 170,700
Plus: interest income on PFC revenues	977	478	205	600	500	600	600	600	600	600	600	700
Total PFC revenues and interest income	**$ 133,460**	**$ 65,398**	**$ 113,705**	**$ 135,300**	**$ 139,300**	**$ 143,500**	**$ 147,800**	**$ 152,200**	**$ 156,800**	**$ 161,400**	**$ 166,300**	**$ 171,400**
Less: Reimbursement to the Capital fund (e)	(1,353)	(1,353)	(1,353)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(1,400)
Total PFCs available to pay debt service	**$ 132,107**	**$ 64,046**	**$ 112,353**	**$ 133,000**	**$ 137,000**	**$ 141,200**	**$ 145,500**	**$ 149,900**	**$ 154,500**	**$ 159,100**	**$ 164,000**	**$ 170,000**

(a) Source: Department management records based on audited financial results.
(b) Certain enplaned passengers are not eligible to pay a PFC, as provided under federal regulations.
(c) The City's authorization to collect the $4.50 PFC expires on the earlier of either October 1, 2031, or a total collection of $3.6 billion of PFC revenues.
(d) Under FAA regulations, airlines collecting a PFC are allowed to retain $0.11 per PFC collected as compensation for collecting and handling PFC revenues.
(e) Includes PFC revenue reimbursement to the Capital Fund for projects included in PFC application #3 and #4, approved by the FAA May 2, 2019 and August 5, 2021, respectively.

Exhibit F

OPERATION AND MAINTENANCE EXPENSES
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except percentages)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Actual (a)		Unaudited actual	Estimate	Forecast							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
BY OBJECT TYPE												
Personnel services	**$ 176,946**	**$ 177,289**	**$ 169,740**	**$ 212,000**	**$ 220,400**	**$ 229,300**	**$ 238,400**	**$ 248,000**	**$ 257,900**	**$ 268,200**	**$ 278,900**	**$ 290,100**
Contractual services (b)	**231,189**	**186,484**	**205,796**	**257,700**	**303,400**	**313,000**	**322,900**	**333,200**	**343,900**	**354,900**	**366,200**	**377,700**
Maintenance, supplies, and materials	**26,639**	**18,799**	**18,178**	**23,000**	**27,000**	**27,900**	**28,800**	**29,700**	**30,600**	**31,600**	**32,600**	**33,600**
Concession joint marketing fund	**1,953**	**390**	**147**	**3,000**	**3,600**	**3,700**	**3,800**	**3,900**	**4,000**	**4,200**	**4,300**	**4,400**
Total O&M Expenses without hotel direct expenses	**$ 436,726**	**$ 382,963**	**$ 393,862**	**$ 495,700**	**$ 554,400**	**$ 573,900**	**$ 593,900**	**$ 614,800**	**$ 636,400**	**$ 658,900**	**$ 682,000**	**$ 705,800**
Less: Hotel allocated expenses (c)	-	(116)	(128)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)
Total O&M Expenses without hotel direct or indirect expenses	**$ 436,726**	**$ 382,847**	**$ 393,735**	**$ 494,800**	**$ 553,500**	**$ 573,000**	**$ 593,000**	**$ 613,900**	**$ 635,500**	**$ 658,000**	**$ 681,100**	**$ 704,900**
Hotel (direct and indirect expenses) (d)	31,628	17,493	22,592	31,500	42,000	43,500	45,000	46,600	48,200	49,900	51,700	53,500
Total O&M Expenses	**$ 468,354**	**$ 400,341**	**$ 416,327**	**$ 526,300**	**$ 595,500**	**$ 616,500**	**$ 638,000**	**$ 660,500**	**$ 683,700**	**$ 707,900**	**$ 732,800**	**$ 758,400**
BY COST CENTER												
Airline Cost Centers												
Terminal Complex (e)	$ 138,410	$ 130,378	$ 130,568	$ 178,300	$ 199,400	$ 206,100	$ 213,600	$ 221,100	$ 229,000	$ 237,000	$ 245,300	$ 253,800
International Facilities	1,688	762	1,591	2,200	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100
Conventional Baggage Systems	2,391	4,593	3,237	3,000	3,300	3,500	3,600	3,700	3,800	4,000	4,100	4,300
Automated Guideway Transit System	34,017	33,588	33,513	38,900	43,500	45,100	46,600	48,300	50,000	51,700	53,600	55,400
Common Use System Equipment	308	350	444	500	600	600	600	600	600	700	700	700
Concourse Ramp Area	8,482	7,886	5,329	8,700	9,700	10,100	10,400	10,800	11,200	11,600	12,000	12,400
Concourse A Commuter Facility	347	329	328	400	500	500	500	500	500	600	600	600
Concourse A Ground Loading Facility	808	1,014	941	1,100	1,300	1,300	1,300	1,400	1,400	1,500	1,500	1,600
Concourse B Regional Jet Facility	809	883	816	900	1,000	1,100	1,100	1,200	1,200	1,200	1,300	1,300
Airfield Area	106,937	98,670	99,996	115,300	129,000	133,600	138,200	143,100	148,100	153,400	158,800	164,300
Fueling System	2,057	2,535	2,069	2,400	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400
Total Airline Cost Centers	**$ 296,254**	**$ 280,988**	**$ 278,831**	**$ 351,700**	**$ 393,400**	**$ 407,200**	**$ 421,400**	**$ 436,400**	**$ 451,700**	**$ 467,800**	**$ 484,200**	**$ 500,900**
Nonairline Cost Centers	**172,100**	**119,353**	**137,496**	**174,600**	**202,100**	**209,300**	**216,600**	**224,100**	**232,000**	**240,100**	**248,600**	**257,500**
Total O&M Expenses	**$ 468,354**	**$ 400,341**	**$ 416,327**	**$ 526,300**	**$ 595,500**	**$ 616,500**	**$ 638,000**	**$ 660,500**	**$ 683,700**	**$ 707,900**	**$ 732,800**	**$ 758,400**
Annual rate of growth	7.1%	(14.5%)	4.0%	26.4%	13.1%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

(a) Source: Department management records based on audited financial results.
(b) Excludes maintenance costs of the conventional baggage system.
(c) Includes Fund 81 Airport Operation and Maintenance Fund operating expenses for police, fire and Denver Health to be transferred to Fund 13 Hotel.
(d) Includes direct and indirect expenses including allocated expenses from the Operating Fund - Fund 81.
(e) Includes expenses associated with maintaining the loading bridges, which are recovered through tenant finish charges.

Exhibit G

DEBT SERVICE REQUIREMENTS
Denver International Airport
Fiscal Years Ending December 31
(in thousands)
(Page 1 of 2)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Actual (a)		Unaudited actual	Estimate	Forecast							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
DEBT SERVICE REQUIREMENTS (b)												
Senior Bonds												
Series 1992F-G	$ 3,620	$ 3,391	$ 3,420	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Series 2002C (Current refund 92D)	4,576	3,212	3,285	3,900	700	400	400	2,500	2,500	2,500	2,500	2,500
Series 2007F-G	21,266	14,967	11,512	11,400	14,200	13,000	10,600	10,600	10,500	10,500	10,500	10,500
Series 2008B	8,135	6,761	5,468	6,900	6,400	6,400	6,600	2,300	2,300	2,200	2,300	2,200
Series 2008C1-C3	35,238	10,899	-	-	-	-	-	-	-	-	-	-
Series 2009A	7,863	-	-	-	-	-	-	-	-	-	-	-
Series 2009B	2,813	2,804	2,806	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Series 2009C	19,633	21,178	20,890	13,400	1,300	1,300	1,300	8,400	8,300	8,300	8,300	8,400
Series 2010A	23,481	25,399	-	-	-	-	-	-	-	-	-	-
Series 2011A	54,077	56,458	44,558	-	-	-	-	-	-	-	-	-
Series 2011B-C	451	225	-	-	-	-	-	-	-	-	-	-
Series 2012A	13,326	10,199	13,261	20,200	11,300	62,700	13,500	1,100	1,100	1,100	1,100	1,100
Series 2012B	28,974	24,119	19,269	19,100	18,800	19,100	109,700	6,500	6,500	6,500	6,500	6,500
Series 2012C	1,088	1,088	1,088	1,100	1,100	1,100	1,100	31,300	-	-	-	-
Series 2016A	15,033	20,041	13,776	10,300	90,800	37,200	40,000	-	-	-	-	-
Series 2016B	16,479	-	-	-	-	-	-	3,000	3,000	3,000	3,000	3,000
Series 2017A	34,369	34,371	22,465	22,500	22,500	21,800	6,500	25,200	25,200	33,700	33,700	32,800
Series 2017B	1,064	1,064	1,064	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Series 2019C	-	6,000	6,000	6,000	6,000	6,000	6,000	14,800	14,800	14,800	14,800	14,800
Series 2019D	-	4,186	4,186	4,200	2,800	2,800	2,800	18,700	18,200	17,900	17,400	15,400
Series 2020A1	-	-	9,532	52,900	15,200	6,500	1,100	2,100	1,000	1,000	2,100	900
Series 2020A2	-	-	16,754	12,600	20,400	6,800	12,800	-	-	-	-	-
Series 2020B1-B2	-	-	12,267	12,100	4,000	10,300	10,400	4,500	4,500	4,500	4,500	4,500
Series 2020C	-	-	9,071	9,500	31,900	23,100	13,700	31,600	59,200	59,400	59,100	59,400
Series 2021A-B	-	-	-	4,200	600	4,600	4,300	2,600	2,600	2,600	2,600	2,600
Proposed Series 2022 (c)	-	-	-	-	95,800	147,800	149,600	150,200	150,200	128,700	128,700	128,600
Future Planned Bonds (d)	-	-	-	-	-	-	36,600	47,900	62,400	74,600	95,800	113,200
Total Debt Service Requirements -- Senior Bonds	**$ 291,484**	**$ 246,361**	**$ 220,671**	**$ 214,100**	**$ 347,600**	**$ 374,700**	**$ 430,800**	**$ 367,100**	**$ 376,100**	**$ 375,100**	**$ 396,700**	**$ 410,200**
Subordinate Bonds												
Series 2013 Bonds	$ 45,653	$ 45,655	$ 45,651	$ 45,700	$ 45,700	$ 44,400	$ 43,800	$ 70,500	$ 70,500	$ 70,500	$ 66,300	$ 59,100
Series 2015 Bonds	19,609	17,127	20,727	2,200	34,200	36,800	32,900	-	-	-	-	-
Series 2018A (AMT)	11,213	38,616	69,263	128,300	145,500	144,500	141,100	169,300	169,300	169,300	169,300	164,300
Series 2018B (Non-AMT)	1,609	3,124	9,056	9,100	9,100	9,100	9,100	13,300	13,300	13,300	13,300	13,300
Series 2019A	433	14,603	30,706	29,500	1,000	23,600	28,500	5,700	5,700	5,800	5,700	5,700
Series 2019B	6,264	16,901	-	-	-	-	-	-	-	-	-	-
Series 2021C	-	-	-	26,300	-	-	-	-	-	-	-	-
Future Planned Bonds (d)	-	-	-	-	-	-	12,300	31,100	43,000	50,200	82,200	88,300
Total Debt Service Requirements -- Subordinate Bonds	**$ 84,782**	**$ 136,027**	**$ 175,403**	**$ 241,100**	**$ 235,500**	**$ 258,400**	**$ 267,700**	**$ 289,900**	**$ 301,800**	**$ 309,100**	**$ 336,800**	**$ 330,700**
Junior Lien Obligations												
Hotel (e)	1,858	967	2,771	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Debt Service Requirements -- Junior Lien Obligations	**$ 1,858**	**$ 967**	**$ 2,771**	**$ 1,200**	**$ 1,200**	**$ 1,200**	**$ 1,200**	**$ 1,200**	**$ 1,200**	**$ 1,200**	**$ 1,200**	**$ 1,200**
Total Debt Service Requirements	**$ 378,123**	**$ 383,355**	**$ 398,844**	**$ 456,400**	**$ 584,300**	**$ 634,300**	**$ 699,700**	**$ 658,200**	**$ 679,100**	**$ 685,400**	**$ 734,700**	**$ 742,100**

Exhibit G

DEBT SERVICE REQUIREMENTS
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except percentages)
(Page 2 of 2)

	Actual (a)		Unaudited actual	Estimate	Forecast							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
DEBT SERVICE REQUIREMENTS												
To Determine Debt Service Coverage												
Senior Bonds	$ 291,484	$ 246,361	$ 220,671	$ 214,100	$ 347,600	$ 374,700	$ 430,800	$ 367,100	$ 376,100	$ 375,100	$ 396,700	$ 410,200
Subordinate Bonds	84,782	136,027	175,403	241,100	235,500	258,400	267,700	289,900	301,800	309,100	336,800	330,700
Junior Lien Obligations (e)	1,858	967	2,771	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total for Rate Maintenance Covenant	**$ 378,123**	**$ 383,355**	**$ 398,844**	**$ 456,400**	**$ 584,300**	**$ 634,300**	**$ 699,700**	**$ 658,200**	**$ 679,100**	**$ 685,400**	**$ 734,700**	**$ 742,100**
To Calculate Airline Rentals, Rates, Fees and Charges												
Senior Bonds	$ 291,484	$ 246,361	$ 220,671	$ 214,100	$ 347,600	$ 374,700	$ 430,800	$ 367,100	$ 376,100	$ 375,100	$ 396,700	$ 410,200
Less: Designated Passenger Facility Charges (f)	(132,107)	(64,046)	(112,353)	(133,000)	(137,000)	(141,200)	(145,500)	(149,900)	(154,500)	(159,100)	(164,000)	(170,000)
Coronavirus Relief Grants to pay debt service	-	(67,844)	(70,769)	(50,600)	(50,600)	(25,100)	-	-	-	-	-	-
	$ 159,376	$ 114,471	$ 37,549	$ 30,500	$ 160,000	$ 208,400	$ 285,300	$ 217,200	$ 221,600	$ 216,000	$ 232,700	$ 240,200
Subordinate Bonds, and Junior Lien Obligations	86,640	136,994	178,174	242,300	236,700	259,600	268,900	291,100	303,000	310,300	338,000	331,900
Less: Coronavirus Relief Grants to pay debt service	-	(62,156)	(68,314)	(50,600)	(50,600)	(25,100)	-	-	-	-	-	-
Total for Airline Rentals, Rates, Fees, and Charges	**$ 246,016**	**$ 189,310**	**$ 147,408**	**$ 222,200**	**$ 346,100**	**$ 442,900**	**$ 554,200**	**$ 508,300**	**$ 524,600**	**$ 526,300**	**$ 570,700**	**$ 572,100**
To Determine Other Available Funds												
Senior Bonds	$ 291,484	$ 246,361	$ 220,671	$ 214,100	$ 347,600	$ 374,700	$ 430,800	$ 367,100	$ 376,100	$ 375,100	$ 396,700	$ 410,200
Less: Coronavirus Relief Grants to pay debt service	-	(67,844)	(70,769)	(50,600)	(50,600)	(25,100)	-	-	-	-	-	-
	$ 291,484	$ 178,517	$ 149,902	$ 163,500	$ 297,000	$ 349,600	$ 430,800	$ 367,100	$ 376,100	$ 375,100	$ 396,700	$ 410,200
Coverage on Senior Bonds	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Total--Other Available Funds	**$ 72,871**	**$ 44,629**	**$ 37,475**	**$ 40,900**	**$ 74,300**	**$ 87,400**	**$ 107,700**	**$ 91,800**	**$ 94,000**	**$ 93,800**	**$ 99,200**	**$ 102,600**

(a) Source: Department management records based on audited financial results. Sources for Debt Service Requirements: Financial Advisor.
(b) Net of capitalized interest. The amounts shown are also net of funds in escrow to economically defease certain Senior Bonds.
(c) Includes the Debt Service Requirements for funding the remaining project costs in the Existing Capital Program (2018-2022).
(d) Includes Debt Service Requirements associated with funding the Next Capital Program (2023-2027).
(e) Reflects Junior Lien Obligations of the hotel, including the furniture, fixture and equipment expenses.
(f) See Exhibit E and the Report for additional information about PFC revenues.

Exhibit G-1

DEBT SERVICE USED TO CALCULATE AIRLINE RENTALS, RATES, FEES, AND CHARGES
Denver International Airport
Fiscal Years Ending December 31
(in thousands)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Actual (a)		Unaudited actual	Estimate	Forecast							
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
DEBT SERVICE REQUIREMENTS (b)												
Total Debt Service Requirements	$378,123	$383,355	$398,844	$456,400	$584,300	$634,300	$699,700	$658,200	$679,100	$685,400	$734,700	$742,100
Less: Designated Passenger Facility Charges (b)	(132,107)	(64,046)	(112,353)	(133,000)	(137,000)	(141,200)	(145,500)	(149,900)	(154,500)	(159,100)	(164,000)	(170,000)
Coronavirus Relief Grants to pay debt service	-	(130,000)	(139,083)	(101,200)	(101,200)	(50,200)	-	-	-	-	-	-
Total Debt Service Requirements allocated to Cost Centers	**$246,016**	**$189,310**	**$147,408**	**$222,200**	**$346,100**	**$442,900**	**$554,200**	**$508,300**	**$524,600**	**$526,300**	**$570,700**	**$572,100**
ALLOCATION TO COST CENTERS												
Airline Cost Centers												
Terminal Complex	$42,356	$56,695	$30,461	$57,800	$156,000	$190,400	$232,300	$213,300	$222,300	$225,000	$267,100	$260,600
Tenant Finishes and Equipment												
Landside Terminal	2,890	2,712	2,504	2,800	2,600	2,400	2,700	1,200	1,200	1,200	1,200	1,200
Concourse A	5,699	5,348	4,882	5,200	5,200	4,500	5,400	2,100	2,000	2,100	2,000	1,900
Concourse B	11,844	11,152	10,234	10,800	10,800	9,400	11,300	5,000	4,900	4,900	4,800	4,400
Concourse C	1,733	1,634	1,502	1,600	1,600	1,400	1,600	800	800	800	800	700
International Facilities	1,307	1,226	119	200	200	-	1,300	400	400	400	400	400
Loading Bridges	2,078	2,268	1,653	1,700	1,500	1,300	900	2,300	2,300	2,500	2,400	2,200
Common Use System Equipment	285	280	175	200	100	100	-	100	100	100	100	100
Concourse A Commuter Facility	178	162	149	200	200	200	200	200	200	100	100	100
Concourse B Regional Jet Facility	1,794	1,754	1,509	1,500	2,900	4,200	1,400	5,700	5,600	7,100	7,200	7,000
Baggage Claim	85	85	74	600	100	200	100	300	300	300	300	300
Conventional Baggage Systems												
United	1,839	5,246	2,265	1,900	200	6,300	12,200	16,700	17,400	17,600	17,600	18,300
Other carriers	2,959	7,058	5,029	6,200	6,000	17,600	24,700	25,600	27,000	27,400	27,400	28,600
FIS	92	74	56	200	200	1,400	1,700	2,300	2,500	2,500	2,500	2,700
International Facilities	726	1,848	56	800	100	1,100	1,600	600	600	500	600	500
Automated Guideway Transit System	11,863	13,601	2,286	17,200	13,700	19,400	20,500	19,000	20,800	21,500	21,500	22,400
Airfield Area	49,461	13,516	34,717	27,400	40,800	66,800	87,600	65,800	68,300	64,800	65,800	76,700
Concourse Ramp Area	5,601	7,567	872	4,000	12,300	16,900	20,600	20,600	20,700	21,600	22,500	16,800
Fueling System	8,940	9,979	7,801	14,200	14,800	14,500	14,500	10,400	10,300	10,100	9,900	9,300
Total Airline Cost Centers	**$151,732**	**$142,206**	**$106,342**	**$154,500**	**$269,300**	**$358,100**	**$440,600**	**$392,400**	**$407,700**	**$410,500**	**$454,200**	**$454,200**
Nonairline cost centers	94,284	47,104	41,066	67,700	76,800	84,800	113,600	115,900	116,900	115,800	116,500	117,900
Total Debt Service Requirements allocated to Cost Centers	**$246,016**	**$189,310**	**$147,408**	**$222,200**	**$346,100**	**$442,900**	**$554,200**	**$508,300**	**$524,600**	**$526,300**	**$570,700**	**$572,100**

(a) Source: Department management records based on audited financial results.
(b) See Exhibit G.

Exhibit H

APPLICATION OF GROSS REVENUES
Denver International Airport
Fiscal Years Ending December 31
(in thousands)

The forecasts presented in this exhibit were prepared using information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

	Exhibit	Estimate	Forecast							
	reference	2022	2023	2024	2025	2026	2027	2028	2029	2030
Gross Revenues										
Airline rentals, rates, fees, and charges	C	$ 470,800	$ 587,200	$ 673,100	$ 719,900	$ 694,200	$ 719,400	$ 735,400	$ 778,800	$ 796,300
Other Airport revenues	D	484,100	514,700	538,000	559,300	577,500	601,200	625,400	650,400	676,400
Interest income		31,000	27,600	31,300	33,500	35,200	36,600	38,000	39,500	42,200
Designated Passenger Facility Charges	E	135,300	139,300	143,500	147,800	152,200	156,800	161,400	166,300	171,400
Total Gross Revenues		**$ 1,121,200**	**$ 1,268,800**	**$ 1,385,900**	**$ 1,460,500**	**$ 1,459,100**	**$ 1,514,000**	**$ 1,560,200**	**$ 1,635,000**	**$ 1,686,300**
Operation and Maintenance Expenses										
Operating expenses	F	$ 526,300	$ 595,500	$ 616,500	$ 638,000	$ 660,500	$ 683,700	$ 707,900	$ 732,800	$ 758,400
Variable rate bond fees		400	400	400	400	400	400	400	400	400
Total Operation and Maintenance Expenses		**$ 526,700**	**$ 595,900**	**$ 616,900**	**$ 638,400**	**$ 660,900**	**$ 684,100**	**$ 708,300**	**$ 733,200**	**$ 758,800**
Net Revenues		**$ 594,500**	**$ 672,900**	**$ 769,000**	**$ 822,100**	**$ 798,200**	**$ 829,900**	**$ 851,900**	**$ 901,800**	**$ 927,500**
Other Available Funds (coverage requirement)	G	40,900	74,300	87,400	107,700	91,800	94,000	93,800	99,200	102,600
Net Revenues plus Other Available Funds		**$ 635,400**	**$ 747,200**	**$ 856,400**	**$ 929,800**	**$ 890,000**	**$ 923,900**	**$ 945,700**	**$ 1,001,000**	**$ 1,030,100**
Less transfers to:										
Bond Fund										
Designated Passenger Facility Charges		$ 133,000	$ 137,000	$ 141,200	$ 145,500	$ 149,900	$ 154,500	$ 159,100	$ 164,000	$ 170,000
Other Gross Revenues		81,100	210,600	233,500	285,300	217,200	221,600	216,000	232,700	240,200
Reserve account for other outstanding bonds (a)		21,700	16,000	16,100	18,800	17,800	18,600	19,600	20,800	21,900
Coronavirus Relief Grants to pay debt service		(101,200)	(101,200)	(50,200)	-	-	-	-	-	-
Subordinate Bond Fund										
Subordinate Bonds		241,100	235,500	258,400	267,700	289,900	301,800	309,100	336,800	330,700
Junior Lien Obligations Fund (b)										
Hotel		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Operation and Maintenance Reserve Account		600	18,800	15,200	5,300	5,400	5,600	5,800	6,100	6,200
Transfer to Capital Fund		**$ 257,900**	**$ 229,300**	**$ 241,000**	**$ 206,000**	**$ 208,600**	**$ 220,600**	**$ 234,900**	**$ 239,400**	**$ 259,900**
Adjustment for hotel performance (c)		-	-	-	-	-	-	-	-	-
Adjusted transfer to Capital Fund		**$ 257,900**	**$ 229,300**	**$ 241,000**	**$ 206,000**	**$ 208,600**	**$ 220,600**	**$ 234,900**	**$ 239,400**	**$ 259,900**
Allocation of Capital Fund transfer										
Rollover to Coverage Account	G	$ 40,900	$ 74,300	$ 87,400	$ 107,700	$ 91,800	$ 94,000	$ 93,800	$ 99,200	$ 102,600
Addition to Coverage Account (Airport portion)		-	8,500	13,100	20,300	-	-	-	-	-
Reimbursement to the Capital Fund (d)		2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	1,400
Equipment and Capital Outlay Account										
Other equipment purchases		20,600	21,100	21,700	22,300	22,900	23,500	24,100	24,700	25,400
Set-aside for installment purchase equipment payments (e)		3,100	100	-	-	-	-	-	-	-
Capital Improvement Account										
Remaining balance deposit for Airport Improvements (f)		141,000	83,000	76,500	26,700	51,600	60,800	74,700	73,200	90,500
Adjustment for hotel performance (c)		-	-	-	-	-	-	-	-	-
Airline Revenue Credit Account (f)		50,000	40,000	40,000	26,700	40,000	40,000	40,000	40,000	40,000
Total allocation of Capital Fund transfer		**$ 257,900**	**$ 229,300**	**$ 241,000**	**$ 206,000**	**$ 208,600**	**$ 220,600**	**$ 234,900**	**$ 239,400**	**$ 259,900**

(a) Reflects the deposit to be made in excess of actual debt service allocable to the Concourse B Regional Jet facility to be used to fund future debt service payments and also reflects net revenues associated with the hotel to redeem bonds.
(b) Reflects Junior Lien Obligations of the hotel for furniture, fixture and equipment expenses.
(c) Reflects an adjustment to remove any impact from the use of Capital Improvement Account deposits to pay debt service on the hotel from the Net Revenues available for revenue sharing.
(d) Includes PFC revenue reimbursement to the Capital Fund for projects included in PFC application #3 and #4, approved by the FAA May 2, 2019 and August 5, 2021, respectively.
(e) Equipment funded by certain companies described in the Report and leased by the City.
(f) Remaining net revenues are allocated 50% to Signatory Airlines and 50% to the Airport. The Airline Revenue Credit is capped at $40 million with the exception of the years 2022-2026 whereby the airlines receive an additional $10M if the total revenue share amount exceeds the 2019 amount of $183M; the remaining amount is deposited into the Capital Improvement Account.

Exhibit I

NET REVENUES AND DEBT SERVICE COVERAGE
Denver International Airport
Fiscal Years Ending December 31
(in thousands, except coverage)

	Exhibit reference	Calculation	Estimate 2022	Forecast 2023	2024	2025	2026	2027	2028	2029	2030
GENERAL BOND ORDINANCE											
Net revenues and Other Available Funds											
Gross Revenues	H		$ 1,121,200	$ 1,268,800	$ 1,385,900	$ 1,460,500	$ 1,459,100	$ 1,514,000	$ 1,560,200	$ 1,635,000	$ 1,686,300
Operation and Maintenance Expenses	H		526,700	595,900	616,900	638,400	660,900	684,100	708,300	733,200	758,800
Net revenues			$ 594,500	$ 672,900	$ 769,000	$ 822,100	$ 798,200	$ 829,900	$ 851,900	$ 901,800	$ 927,500
Other Available Funds	H		40,900	74,300	87,400	107,700	91,800	94,000	93,800	99,200	102,600
Total net revenues and Other Available Funds		[A]	**$ 635,400**	**$ 747,200**	**$ 856,400**	**$ 929,800**	**$ 890,000**	**$ 923,900**	**$ 945,700**	**$ 1,001,000**	**$ 1,030,100**
Debt Service Requirements	G										
Senior Bonds			$ 214,100	$ 347,600	$ 374,700	$ 430,800	$ 367,100	$ 376,100	$ 375,100	$ 396,700	$ 410,200
Less: Coronavirus Relief Grants to pay debt service			(50,583)	(50,583)	(25,084)	-	-	-			
Total Senior Bonds		[B]	$ 163,517	$ 297,017	$ 349,616	$ 430,800	$ 367,100	$ 376,100	$ 375,100	$ 396,700	$ 410,200
Subordinate Bonds			241,100	235,500	258,400	267,700	289,900	301,800	309,100	336,800	330,700
Less: Coronavirus Relief Grants to pay debt service			(50,583)	(50,583)	(25,084)	-	-	-			
		[C]	$ 190,517	$ 184,917	$ 233,316	$ 267,700	$ 289,900	$ 301,800	$ 309,100	$ 336,800	$ 330,700
Junior Lien Obligations (a)			1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Debt Service Requirements		[D]	**$ 355,234**	**$ 483,134**	**$ 584,132**	**$ 699,700**	**$ 658,200**	**$ 679,100**	**$ 685,400**	**$ 734,700**	**$ 742,100**
Debt service coverage on Senior Bonds		[A/B]	**389%**	**252%**	**245%**	**216%**	**242%**	**246%**	**252%**	**252%**	**251%**
Debt service coverage on Senior Bonds, Subordinate Bonds, and Junior Lien Obligations		[A/D]	**179%**	**155%**	**147%**	**133%**	**135%**	**136%**	**138%**	**136%**	**139%**

(a) Reflects Junior Lien Obligations of the hotel, including the furniture, fixture and equipment expenses.

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APPENDIX B-1

AMENDED AND RESTATED AIRPORT SYSTEM GENERAL BOND ORDINANCE

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BY AUTHORITY

ORDINANCE NO20180777 **COUNCIL BILL NO. 18-0777**

SERIES OF 2018 **COMMITTEE OF REFERENCE:**

BUSINESS, ARTS, WORKFORCE & AERONAUTICAL SERVICES

A BILL

An ordinance concerning the Airport System of the City and County of Denver; amending and restating Ordinance No. 626 of Series 1984, as previously amended, known as the "1984 Airport System General Bond Ordinance"; concerning the Airport Facilities of the City and County of Denver; establishing general provisions relating to Airport System Revenue Bonds to be issued by the City, for and on behalf of its Department of Aviation; providing the forms, terms, and conditions of the Bonds, the manner and terms of their issuance, the manner of their execution, the method of their payment, and the security therefor; providing for the collection and disposition of revenues derived from the operation of such Airport Facilities; pledging such revenues to the payment of the Bonds; providing various covenants, agreements, and other details, and making other provisions concerning Airport Facilities, the Bonds, Refunding and Improvement Projects, and Airport Facilities Revenues; ratifying action previously taken and relating to the foregoing matters; providing other matters relating thereto; declaring an emergency; and providing the effective date hereof.

PREFACE

This ordinance (referred to herein as the "2018 Amended and Restated Airport System General Bond Ordinance") is adopted by the City Council of the City and County of Denver, Colorado.

DEFINITIONS

All defined terms in this 2018 Amended and Restated Airport System General Bond Ordinance have the meanings set forth in Section 102.A of this 2018 Amended and Restated Airport System General Bond Ordinance, except where the context by clear implication otherwise requires.

RECITALS

(1) The City is a municipal corporation duly organized and existing as a home-rule city under Article XX, State Constitution, and under the Charter and is a political subdivision of the State.

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City & County of Denver ORD

(2) Subject to certain exceptions, all legislative powers possessed by the City, conferred by Article XX, State Constitution, or contained in the Charter, as either has from time to time been amended, or otherwise existing by operation of law, are vested in the City Council.

(3) Pursuant to Article XX, State Constitution, the Charter, and the plenary grant of powers as a home-rule city, and the 1984 General Bond Ordinance, the City has acquired certain airport facilities.

(4) The Charter vests in the Department of Aviation the management and control of the Airport System. Pursuant to the Enterprise Ordinance, the City designated the Department as an "enterprise" within the meaning of Section 20, Article X, State Constitution. The Enterprise Ordinance provides that the City owns the Department; the Manager of the Department is the governing body of the Department; and the Department has the authority to issue its own bonds or other financial obligations in the name of the City, payable solely from revenues derived or to be derived from the functions, services, benefits or facilities of the Department or from any other available funds, as authorized by ordinance after approval and authorization by the Manager.

(5) After all prerequisite action, the City, for and behalf of the Department, has heretofore issued the Prior Bonds pursuant to the 1984 General Bond Ordinance.

(6) Pursuant to the 1984 General Bond Ordinance, which authorizes the issuance of bonds and other financial obligations payable from the Net Revenues of the Airport System and having a lien thereon subordinate to the lien thereon in favor of the Bonds, Obligations and any additional bonds or obligations on a parity therewith, the City has adopted the General Subordinate Bond Ordinance and the General Junior Lien Bond Ordinance.

(7) The City, as requested by the Manager of the Department, desires to amend, restate and replace in its entirety, the 1984 General Bond Ordinance with this 2018 Amended and Restated General Bond Ordinance in order to (i) enable the usage of EMMA, or any successor in kind thereto, for the submission and posting of certain documents, (ii) establish the applicability of the Supplemental Act, (iii) add the concept of a Securities Depository as a depository for Bonds, (iv) replace gender specific language, (iv) approve and adopt the 2018 Amendments, and (v) create a single document which contains the Prior Amendments and the 2018 Amendments.

(8) The 1984 General Bond Ordinance provides the following with respect to amendments:

a. Section 1301 of the 1984 General Bond Ordinance provides that the City may adopt a Supplemental Ordinance amending or supplementing the 1984 General Bond Ordinance, without the consent of or notice to the owners of the Bonds, for certain purposes as described therein;

b. Section 1302 of the 1984 General Bond Ordinance provides that, in addition to any amendments or supplements described in Section 1301 thereof, the 1984 General Bond Ordinance may be amended or supplemented by a Supplemental Ordinance, without receipt by the City of any additional consideration, but with the written consent of the owners of Bonds which constitute more than 50% in aggregate principal amount of all Bonds Outstanding at the time of the adoption of such Supplemental Ordinance and affected by such amendment or supplement;

c. Section 1304 of the 1984 General Bond Ordinance provides that notice, as described therein, of any proposed amendment under the provisions of Section 1302 thereof shall be mailed to the owners of all Bonds then Outstanding and to the Purchaser, or any successor thereof known to the Clerk, of the Bonds then Outstanding; and

d. Section 1305 of the 1984 General Bond Ordinance provides that whenever, within one year from the date of a notice under the provisions of Section 1304 thereof, there shall be filed in the office of the Clerk an instrument or instruments executed by the required number of owners, which instrument or instruments shall refer to the proposed Supplemental Ordinance described in such notice and shall specifically consent to and approve the adoption of such Supplemental Ordinance, thereupon, the Council may adopt such Supplemental Ordinance and such Supplemental Ordinance shall become effective.

(9) The provisions of certain agreements entered into by the City, or by the City, for and on behalf of the Department, in connection with the Bonds or the Airport System, including but not limited to certain agreements with credit enhancement providers, hedge facility providers and equipment vendors, establish certain limitations on the ability of the City to

amend the 1984 General Bond Ordinance or require the consent of the other parties to such agreements in connection with amendments to the 1984 General Bond Ordinance.

(10) Additionally, Section 1303 of the General Subordinate Bond Ordinance prohibits amendments to the 1984 General Bond Ordinance without the consent of the owners of any outstanding subordinate bond or subordinate obligation affected thereby, unless such amendment does not materially and prejudicially affect the right of such owner.

(11) The required number of owners of Outstanding Prior Bonds have consented to the 2018 Amendments pursuant to Section 1302 of the 1984 General Bond Ordinance. The 2018 Amendments do not require any additional consent of, or notice to, owners of Outstanding Prior Bonds in order to provide for City Council approval thereof and inclusion in this 2018 Amended and Restated General Bond Ordinance.

(12) The owners of outstanding subordinate bonds and subordinate obligations under the General Subordinate Bond Ordinance have consented to the 2018 Amendments in accordance with Section 1303 of the General Subordinate Bond Ordinance. The owners of any junior lien bonds or junior lien obligations under the General Junior Lien Bond Ordinance have consented to the 2018 Amendments in accordance with Section 1303 of the General Junior Lien Bond Ordinance.

(13) All amendments (other than the 2018 Amendments) to the 1984 General Bond Ordinance set forth in this 2018 Amended and Restated General Bond Ordinance are being enacted pursuant to Section 1301 of the 1984 General Bond Ordinance and do not require (i) consent of or notice to the owners as contemplated in Section 1302 of the 1984 General Bond Ordinance, (ii) notice as contemplated in Section 1304 of the 1984 General Bond Ordinance or (iii) filing of consent to the adoption of this 2018 Amended and Restated General Bond Ordinance as contemplated in Section 1305 of the 1984 General Bond Ordinance. Additionally, such amendments do not materially and prejudicially affect the right of the owners of any subordinate bonds or the beneficiaries of any subordinate obligations as contemplated by Section 1303 of the General Subordinate Bond Ordinance.

(14) The Council has determined and does hereby declare that it is necessary and appropriate that the 1984 General Bond Ordinance be amended, supplemented, restated and replaced in its entirety, as provided in this 2018 Amended and Restated General Bond Ordinance and that:

A. Notice of the 2018 Amendments under the provisions of Section 1302 has been given in accordance with Section 1304 of the 1984 General Bond Ordinance;

B. There has been filed in the office of the Clerk an instrument executed by the required number of owners, referring to this 2018 Amended and Restated Airport System General Bond Ordinance and specifically consenting to and approving the adoption of the 2018 Amendments, all as provided in Section 1305 of the 1984 General Bond Ordinance;

C. All consents of parties to agreements entered into by the City, or by the City, for and on behalf of the Department, in connection with the Bonds or the Airport System, which are required with respect to the 2018 Amendments have been or will be obtained;

D. There has been filed in the office of the Clerk an instrument executed by the owners of subordinate bonds and subordinate obligations in accordance with the General Subordinate Bond Ordinance, referring to this 2018 Amended and Restated Airport System General Bond Ordinance and specifically consenting to and approving the adoption of the 2018 Amendments, all as provided in Section 1303 of the General Subordinate Bond Ordinance;

E. No additional consent to the amendments and supplements to the 1984 General Bond Ordinance as set forth in this 2018 Amended and Restated General Bond Ordinance is required under the provisions of Section 1302 and no notice thereof is required to be given in accordance with Section 1304 of the 1984 General Bond Ordinance; and

F. The 2018 Amendments have been consented to by the owners of subordinate bonds and subordinate obligations in accordance with the General Subordinate Bond Ordinance and by the owners of junior lien bonds and junior lien obligations in accordance with the Section 1303 of the General Junior Lien Bond Ordinance. All other amendments and supplements to the 1984 General Bond Ordinance set forth herein do not materially and prejudicially affect the rights of the owners of the subordinate bonds or junior lien bonds or beneficiaries of any subordinate obligations or junior lien obligations.

(15) This 2018 Amended and Restated Airport System General Bond Ordinance is intended to govern the issuance of, and establish general provisions relating to, revenue bonds issued by the City, and by the City, for and on behalf of the Department, payable and collectible solely out of the Net Revenues of the Airport System and such other funds and accounts of the Airport System as herein provided.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

ARTICLE I
SHORT TITLE, DEFINITIONS, OTHER INTERPRETIVE AND LEGISLATIVE MATTERS, AND EFFECTIVE DATE

Section 101. Short Title. This ordinance may be cited as the "2018 Amended and Restated Airport System General Bond Ordinance."

Section 102. Meanings and Construction.

A. Definitions. For all purposes of this Instrument and of any instrument amendatory hereof or supplemental hereto, except where the context by clear implication otherwise requires:

(1) "1984 General Bond Ordinance" means Ordinance No. 626, Series of 1984, cited as the "1984 Airport System General Bond Ordinance," as amended and supplemented from time to time by, and amended and restated in its entirety by this Instrument.

(2) "1997 Subordinate Bond Ordinance" means Ordinance No. 549, Series of 1997, cited as the "1997 Airport System Subordinate Bond Ordinance," as amended and supplemented.

(3) "2018 Amendments" means amendments to the 1984 General Bond Ordinance reflected in this 2018 Amended and Restated Airport System General Bond Ordinance and set forth in the instrument filed in the office of the Clerk which have been consented to in writing by the requisite percentage of owners of the Prior Bonds but not approved and adopted by the City Council prior to this 2018 Amended and Restated Airport System General Bond Ordinance, which 2018 Amendments are hereby approved and adopted by the City pursuant this 2018 Amended and Restated Airport System General Bond Ordinance.

(4) "Accreted Value" when used with respect to a Capital Appreciation Bond as of a given date means the principal amount thereof plus accrued interest thereon to that date.

(5) "Acquire" means to open, lay out, establish, purchase, construct, secure, install, reconstruct, lease, option, receive, or otherwise acquire, or any combination thereof.

(6) "Airport" or "Airport System" means the following facilities, whether heretofore or hereafter acquired by the City and whether located within or without the boundaries of the City:

(a) Stapleton International Airport;

(b) Denver International Airport;

(c) All other airports, heliports or functionally similar aviation facilities; and

(d) All other facilities of whatsoever nature relating to or otherwise used in connection with the foregoing, including without limitation buildings, structures, terminals, parking and ground transportation facilities, roadways, land, hangars, warehouses, runways, shops, hotels, motels and administration offices.

The terms do not include any Special Facilities, except to the extent otherwise provided herein.

(7) "Airport Consultant" means an independent airport management consultant or airport management consulting firm, as from time to time appointed by the Manager of the Department on behalf and in the name of the City:

(a) Who has a wide and favorable reputation for special skill and knowledge in methods of the development, operation, and management of airports and airport facilities; but

(b) Who is not in the regular employ or control of the City.

(8) "Airport Engineer" means the engineer for the Airport System, in the regular control and employ of the Manager of the Department on behalf of the City, or his or her designee, and his or her successor in functions, if any.

(9) "Airport System Fund" means the separate fund designated as the "City and County of Denver, Airport System Fund," created in Section 501 hereof, which fund consists of a self-balancing group of accounts and subaccounts relating to the Airport System, and to which the various accounts herein created or otherwise designated relate.

(10) "Attorney" means the attorney for the Airport System, in the regular control and employ of the City, or his or her designee, and his or her successor in functions, if any.

(11) "Attorney's Opinion" means an opinion signed by an attorney or by a firm of attorneys of recognized standing (who may be the Attorney), elected, retained, and compensated by the City.

(12) "Auditor" means the auditor of the City, or his or her designee, and his or her successor in functions, if any.

(13) "Balloon Maturities" means, with respect to any series of Bonds or other Obligations 50% or more of the aggregate principal amount (or stated face amount) of which is payable as a Bond Requirement in any Fiscal Year, that portion of that series which matures within that Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of those Bonds or other Obligations required to be redeemed or otherwise prepaid prior to their stated maturity date. Similar structures with respect to commercial paper, bond anticipation notes or other Short-Term/Demand Obligations shall not be Balloon Maturities for purposes of this Instrument.

(14) "Bond Fund" means the special and separate account designated as the "City and County of Denver, Airport System Revenue Bonds, Interest and Principal Retirement Fund," created in Section 502(D) hereof.

(15) "Bond Requirements" for any period means the Debt Service Requirements payable during such period excluding the amount of any Obligations payable (or for which reserves are required to be deposited) during such period.

(16) "Bond Reserve Fund" means the special and separate account designated as the "City and County of Denver, Airport System Revenue Bonds, Bond Reserve Fund" created in Section 502(E) hereof.

(17) "Bonds" means bonds, notes, certificates, commercial paper, or other securities issued by the City or by the City, for and on behalf of the Department, pursuant to the provisions of this Instrument which are payable from the Net Revenues of the Airport System and which payment is secured by a pledge of and lien on such Net Revenues, including without limitation Completion Bonds, Refunding Bonds, Serial Bonds, Term Bonds, Credit Enhanced Bonds, Option Bonds, Capital Appreciation Bonds, and Variable Rate Bonds; but the term does not include any Special Facilities Bonds, Subordinate Bonds, or any Obligations (except as represented by any bonds registered in the name of any provider of any Credit Facility or its nominee as a result of a purchase by a draw on the Credit Facility).

(18) "Book-Entry System" means a system under which either (a) bond certificates are not issued and the ownership of bonds is reflected solely by a register, or (b) physical certificates in fully registered form are issued to the Securities Depository or to its nominee as registered owner, with the certificated bonds held by and "immobilized" in the custody of the Securities Depository, and under which records maintained by persons, other than the Registrar, constitute the written record that identifies the ownership and transfer of the beneficial interests in those bonds.

(19) "Capital Appreciation Bonds" means Bonds which by their terms appreciate in value to a stated face amount at maturity.

(20) "Capital Fund" means the special and separate account designated as the "City and County of Denver, Airport System Capital Improvement and Replacement Fund," created in Section 502(G) hereof.

(21) "Capitalized Interest Account" means the special and separate subaccount within the Project Fund designated as the "City and County of Denver, Airport System Revenue Bonds, Capitalized Interest Account," created in Section 504(A) hereof.

(22) "Charter" means the home-rule charter of the City, as amended from time to time, and the term includes any successor charter or like document adopted as the organic law of the City.

(23) "City" means the municipal corporation and body corporate and politic known as the City and County of Denver, Colorado, and the term includes any municipal corporation which may succeed to ownership of the Airport System. As the context requires, the term also means the City, for and on behalf of the Department.

(24) "City Council" or "Council" means the city council of the City, also designated in the Charter as the "board of councilmen," and includes any successor governing body of the City.

(25) "Clerk" means the Clerk and Recorder, ex-officio Clerk of the City, or a deputy clerk of the City whenever the Clerk is unable to act in such capacity, or their designees, and their successors in functions, if any.

(26) The term "commercial bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal

Reserve System, which has a shareholders' equity (e.g., capital stock, surplus, and undivided profits), however denominated, of $25,000,000.00 or more, and which is located within the United States, and such term includes, without limitation, any trust bank.

(27) "Completion Bonds" means Bonds issued for the purpose of defraying additional Cost of an Improvement Project and thereby implementing its completion.

(28) "Contract Obligations" means capital leases, installment purchase agreements, guaranty agreements, or other similar contracts, which are payable from all or any designated portion of the Net Revenues of the Airport System and secured under this Instrument. The term does not include (a) Bonds, Credit Facility Obligations, or Hedge Facility Obligations; or (b) obligations that may be treated as Operation and Maintenance Expenses under generally accepted accounting principles and obligations incurred and payable in full within a single Fiscal Year (whether or not such obligations may be so treated as Operation and Maintenance Expenses).

(29) "Cost" means the City's costs properly attributable to any Improvement Project, Refunding Project, or combination thereof (as the context requires), including without limitation:

(a) The costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;

(b) The costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;

(c) Administrative and general overhead costs;

(d) The costs of reimbursing funds advanced by the City, including any intrafund or interfund loan, or advanced with the approval of the City by the State, any city, the Federal Government, or by any other person, or any combination thereof;

(e) The costs of surveys, appraisals, plans, designs, specifications, or estimates;

(f) The costs, fees and expenses of printers, engineers, architects, financial consultants, legal advisors, or other agents or employees;

(g) The costs of publishing, reproducing, posting, mailing, or recording;

(h) The costs of contingencies or reserves;

(i) Interest on Bonds for such period as may be determined by Supplemental Ordinance, any discount on the sale or remarketing of Bonds, any reserves for the payment of Bonds, or any other costs of issuing, carrying or repaying Bonds or of purchasing, carrying, and selling or redeeming Investment Securities, including without limitation any fees or charges of agents, trustees or other fiduciaries, and any fees, premiums or other costs incurred in connection with any Credit Facility;

(j) The costs of amending any resolution, ordinance or other instrument relating to Bonds;

(k) The costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;

(l) The costs of acquiring any property, rights, easements, licenses, privileges, agreements, or franchises;

(m) The costs of demolition, removal, and relocation;

(n) All other lawful costs as may be determined by the Manager of the Department.

(30) "Credit Enhanced Bonds" means Bonds, the payment of which, or other rights in respect of which, is secured in whole or in part by a Credit Facility or by a pledge of revenues other than Gross Revenues.

(31) "Credit Facility" means any letter of credit, policy of bond insurance, surety bond, guaranty or similar instrument issued by a financial, insurance or other institution and which provides security or liquidity in respect of Bonds.

(32) "Credit Facility Obligations" means repayment or other obligations incurred by the City, for and on behalf of the Department, pursuant to a credit agreement or similar

instrument in respect of draws or other payments or disbursements made under a Credit Facility; but only if such obligations have a lien on the Net Revenues of the Airport System on the same priority as the lien thereon of Bonds.

(33) "Debt Service Requirements" for any period means the sum of:

(i) The amount required to pay the interest on any Bonds during such period;

(ii) The amount required to pay the principal, Redemption Price or Purchase Price of any Bonds during such period, whether at stated or theretofore extended maturity, upon mandatory redemption, upon the exercise of any option to redeem or require tender of such Bonds if the City has irrevocably committed itself to exercise such option, or by reason of any other circumstance which will, with certainty, occur during such period; and

(iii) The amount of any Credit Facility Obligations required to be paid and any Regularly Scheduled Hedge Payments to be made by the City with respect to any Hedge Facility secured hereunder during such period,

in each case computed as follows:

(a) No payments required for any Option Bonds, other Bonds, or Obligations which may be tendered or otherwise presented for payment at the option or demand of the owners thereof, or which may otherwise become due by reason of any other circumstance which will not, with certainty, occur during such period, shall be included in any computation of Debt Service Requirements prior to the stated or theretofore extended maturity or otherwise certain due dates thereof, and all such payments shall be deemed to be required on such stated or theretofore extended maturity dates or otherwise certain due dates.

(b) Except for any historical period for which the actual rate or rates are determinable and except as otherwise provided herein, Variable Rate Bonds, and Obligations which bear interest at a variable rate, shall be deemed to bear interest at a fixed annual rate equal to the prevailing rate of such Variable Rate

Bonds or Obligations on the date of computation; provided that in any computation (i) of Minimum Bond Reserve; (ii) relating to the issuance of additional Bonds required by Section 704(B) hereof; or (iii) required by the rate maintenance covenant of Section 901 hereof, Variable Rate Bonds shall be deemed to bear interest at a fixed annual rate equal to (y) the average of the daily rates of such Bonds during the 365 consecutive days (or any lesser period such Bonds have been Outstanding) next preceding the date of computation; or (z) with respect to any Variable Rate Bonds which are being issued on the date of computation, the initial rate of such Bonds upon issuance.

(c) Further, in any computation relating to the issuance of additional Bonds required by Section 704 hereof and any computation required by the rate maintenance covenant in Section 901 hereof, there shall be excluded from the computation of Debt Service Requirements amounts which are irrevocably committed to make the payments described in clauses (i), (ii) and (iii) above during such period, including without limitation any amounts in an Escrow Account and any proceeds of Bonds deposited to the credit of the Capitalized Interest Account.

(d) Any Variable Rate Bonds with respect to which there exists a Hedge Facility that obligates the City to pay a fixed interest rate shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Hedge Facility for the full term of such Hedge Facility. In the case of any Bonds that bear interest at a fixed rate and with respect to which there exists a Hedge Facility that obligates the City to pay a floating interest rate Debt Service Requirements shall be deemed for the full term of the Hedge Facility to include the interest payable on such Bonds, less the fixed amounts received by the City under the Hedge Facility, plus the amount of the floating payments (using the conventions described in paragraph (b) above) to be made by the City under the Hedge Facility.

(e) The Debt Service Requirements of any series of Bonds (other than Bonds that mature within one year of the date of issuance thereof) or other Obligations all or a portion of which constitutes a Balloon Maturity shall, unless otherwise provided in the Supplemental Ordinance pursuant to which such Bonds are authorized, be calculated by assuming that principal and interest on such Balloon Maturity is to be amortized over a 30-year period, beginning on the date of issuance or incurrence, assuming level debt service payable in each year at a rate of interest equal to the actual rate of interest of such Balloon Maturity on the date of calculation, provided that if the date of calculation is within 12 months of the final due date of such Balloon Maturity, the full amount of principal to become due shall be included in the calculation unless provision (g) of this definition than applies to such maturity.

(f) If all or any portion of an outstanding series of Bonds constitutes Short-Term/Demand Obligations, then, for purposes of determining Debt Service Requirements, each maturity that constitutes Short-Term/Demand Obligations shall, unless otherwise provided in the Supplemental Ordinance pursuant to which such Bonds are authorized, be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Short-Term/Demand Obligations were issued, and extending not later than 30 years from the date such Short-Term/Demand Obligations were originally issued; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index for the last week of the month preceding the date calculation as published by The Bond Buyer, or if that index is no longer published, another similar index designated by the Manager, taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any series of Bonds only a portion of which constitutes Short-Term/Demand Obligations, the remaining portion shall be assumed to be paid in accordance with any amortization schedule established by the Supplemental Ordinance setting forth the terms of such Bonds or shall be treated as described in such other provision of this definition as shall be applicable.

(g) Any maturity of Bonds that constitutes a Balloon Maturity as described in provision (e) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Debt Service Requirements is made, shall be assumed to become due and payable on the stated maturity date, and provision (e) above shall not apply thereto, unless the Treasurer shall file a certificate with the Clerk stating (i) that the City intends to refinance such maturity, (ii) the probable terms of such refinancing and (iii) that City has the financial ability to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Maturity shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Debt Service Requirements; provided that such assumption shall not result in an interest rate lower than that which would be assumed under provision (e) above and shall be amortized over a term of not more than 30 years from the expected date of refinancing.

(34) "Department" means the Department of Aviation of the City and its successor in functions, if any, which has been designated by the City as an "enterprise" within the meaning of Section 20, Article X, State Constitution.

(35) "EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system or any successor thereto.

(36) "Enterprise Ordinance" means Ordinance No. 755, Series of 1993.

(37) The term "equip" means to furnish machinery, vehicles, furniture, apparatus, or other equipment, or any combination thereof.

(38) "Escrow Account" means any special and separate account established with an Escrow Bank in whole or in part with the proceeds of any Refunding Bonds or other moneys to provide for the timely payment of any Bond Requirements.

(39) "Escrow Bank" means a trust bank, designated by Supplemental Ordinance to administer an Escrow Account.

(40) "Event(s) of Default" means the events stated in Section 1203 hereof.

(41) "Facilities" and "Airport Facilities" means any real, personal, or real and personal property, or any interest therein (other than Special Facilities, except to the extent otherwise provided herein) comprising a part of the Airport System, including without limitation land for environmental or noise abatement purposes.

(42) "Federal Government" means the United States, or any agency, instrumentality, or corporation thereof.

(43) "Federal Securities" means bills, certificates, notes, bonds or similar securities which are direct obligations of, or the principal of and interest on which are unconditionally guaranteed by, the United States.

(44) "Financial Consultant" means any financial consultant which is appointed by the City with respect to any series of Bonds.

(45) "Fiscal Year" means the twelve months commencing on January 1 of any calendar year and ending on December 31 of the same calendar year, or any other 12-month period which the appropriate authority designates as the fiscal year for the operation of the Airport System.

(46) "Fitch" means Fitch, Inc. and its successors.

(47) "General Junior Lien Bond Ordinance" means Ordinance No. 17-0972, Series of 2017, cited as "Airport System General Junior Lien Bond Ordinance," as amended and supplemented from time to time.

(48) "General Subordinate Bond Ordinance" means the 1997 Subordinate Bond Ordinance as amended and restated in its entirety pursuant to the provisions of Ordinance No. 302, Series of 2013, as amended and supplemented from time to time.

(49) "Gross Revenues" means any income and revenue lawfully derived directly or indirectly by the City from the operation and use of, or otherwise relating to, the Airport System, whether resulting from an Improvement Project or otherwise. The term includes, without limitation, all rentals, rates, fees, and other charges for the use of the Airport System, or for any service rendered by the City in the operation thereof; on and after January 1, 1994, the revenues from the City's sales and use taxes raised at the rate of two cents for each gallon of fuel purchased for use in the generation of power for propulsion or drawing of aircraft; any passenger taxes, passenger facility charges, or other passenger charges imposed for the use of the Airport System, but only to the extent included as Gross Revenues by the terms of any Supplemental Ordinance; and, except as otherwise provided herein, interest and other realized gain from any investment of moneys accounted for in the various accounts of the Airport System Fund. The term does not include:

(a) Any Bond proceeds and other money (including interest) required to be credited to the Project Fund or the Bond Reserve Fund;

(b) Any rentals or other revenue, grants, appropriations, or gifts derived directly or indirectly from the United States;

(c) Any grants, appropriations, or gifts from the State, or any other sources, which are required by their terms to be used only for purposes other than the payment of Debt Service Requirements;

(d) Except as otherwise provided herein, any revenue derived from any Special Facilities other than ground rentals relating to such Special Facilities and any moneys paid to the City in lieu of such ground rentals;

(e) The proceeds of any insurance policy, except any such proceeds derived in respect of loss of use or business interruption;

(f) Any money (including interest) in any Escrow Account or similar account pledged to the payment of any obligations therein specified;

(g) Any money received in respect of any Credit Facility, unless otherwise provided by Supplemental Ordinance;

(h) Any Hedge Termination Payments received by the City; and

(i) Any Released Revenues in respect of which there have been filed with the Clerk a Manager's certificate, an Airport Consultant's certificate, and an opinion of Bond Counsel and the other documents contemplated in the definition of "Released Revenues."

(50) "Hedge Facility" means any rate swap transaction, basis swap transaction, cap transaction, floor transaction, collar transaction, or similar transaction entered into by the City, for and on behalf of the Department, and a Hedge Provider, which is intended to be integrated with and to convert or limit the interest rate on any Bonds.

(51) "Hedge Facility Obligations" means payment obligations of the City, for and on behalf of the Department, in respect of Hedge Facilities, which are payable from all or any designated portion of the Net Revenues of the Airport System and secured under this Instrument; but only if such obligations have a lien on the Net Revenues of the Airport System on the same priority as the lien thereon of Bonds; provided that Hedge Termination Payments to be made by the City shall not be secured under this Instrument on a parity with the Bonds.

(52) "Hedge Provider" means a financial institution whose senior long-term debt obligations, or whose obligations under any Hedge Facility are (a) guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated at least "A1," in the case of Moody's and "A+," in the case of S&P, or the equivalent thereto in the case of any successor thereto, or (b) fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% (or such lower percentage as shall be acceptable to the Rating Agencies) of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by any Federal Reserve Bank or a depository acceptable to the City, (iii) subject to a perfected first lien on behalf of the Bonds, and (iv) free and clear from all third-party liens.

(53) "Hedge Termination Payment" means any amount payable to the City, for and on behalf of the Department, or a Hedge Provider, in accordance with a Hedge Facility, if the Hedge Facility is terminated prior to its scheduled termination date.

(54) The term "improve" means to extend, enlarge, add to, widen, lengthen, better, alter, reconstruct, or otherwise improve; but the term does not mean to generally maintain or otherwise repair in minor and periodic respect.

(55) "Improvement Project" means any project to acquire, improve or equip (or any combination thereof) Facilities, as authorized and described by Supplemental Ordinance.

(56) "Independent Accountant" means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State, as from time to time appointed and compensated by the City:

(a) Who is, in fact, independent and not under the control of the City;

(b) Who does not have any substantial interest, direct or indirect, with the City; and

(c) Who is not connected with the City as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the City.

(57) "Instrument" means this 2018 Amended and Restated Airport System General Bond Ordinance, as amended and supplemented from time to time by any Supplemental Ordinance; and the term "instrument of the City," "amendatory instrument," "supplemental instrument," or any phrase of similar import, means any ordinance adopted by the Council.

(58) "Interest Account" means the special and separate subaccount within the Bond Fund designated as the "City and County of Denver, Airport System Revenue Bonds, Interest Account," created in Section 504(B) hereof.

(59) "Investment Securities" means, to the extent the following are permitted investments under the City's investment policy, as such investment policy may be amended from time to time:

(a) Federal Securities; and

(b) If the laws applicable to the City permit any of the following investments to be made at the time such investment is made, any of the following:

(i) Certificates or any other evidences of an ownership interest in Federal Securities or the interest thereon;

(ii) Interest bearing bank time deposits evidenced by certificates of deposit issued by banks incorporated under the laws of any state (including the State) or the Federal Government, or any national banking association that is a member of the Federal Deposit Insurance Corporation, and interest bearing savings and loan association time deposits evidenced by certificates of deposit issued by savings and loan associations which are members of the Federal Savings and Loan Insurance Corporation, if (1) such deposits are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or (2) the shareholders' equity (e.g., capital stock, surplus, and undivided profits), however denominated, of such bank or savings and loan association is at least equal to $10,000,000.00, or (3) such deposits are secured by Federal Securities, by obligations described in subparagraphs (b)(i) or (b)(iii) of this definition, or by tax-exempt, unlimited general obligation bonds of a state or municipal government rated "A" (or its equivalent) or better by one or more nationally recognized rating agencies, having at all times a market value in the aggregate (exclusive of accrued interest) at least equal to the amount of such deposits so secured, including accrued interest (or by any combination thereof);

(iii) Bonds, debentures, notes, or other evidences of indebtedness issued or guaranteed by any of the following agencies: Federal Farm Credit Banks; the Export-Import Bank of the United States; Federal Land Banks; the Federal National Mortgage Association; the Tennessee Valley Authority; the Government National Mortgage Association; the Federal Financing Bank; the Farmers Home Administration; the Federal Home Loan Bank; or any agency or instrumentality of the Federal Government which shall be established for the purposes of acquiring the obligations of any of the foregoing or otherwise providing financing therefor;

(iv) Repurchase agreements with banks described in subparagraph (b)(ii) of this definition and government bond dealers reporting to and trading with the Federal Reserve Bank of New York, which agreements are secured by depositing Federal Securities or obligations described in subparagraphs (b)(i) or (b)(iii) of this definition with an escrow agent satisfactory to the City, including, without limitation, any Federal Reserve Bank or any branch thereof;

(v) Banker's acceptances that are rated at the time of purchase in the highest short-term rating category of, or are otherwise approved by, the Rating Agencies and that mature not more than 180 days after the date of purchase;

(vi) New housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under a contract with the Federal Government; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the Federal Government;

(vii) Obligations issued by the City which are rated "A" (or its equivalent) or better by one or more nationally recognized rating agencies, but excluding any Bonds or Subordinate Bonds;

(viii) Commercial paper that is rated at the time of purchase in the highest short-term rating category of, or is otherwise approved by, the Rating Agencies and that matures not more than 270 days after the date of purchase;

(ix) Investments in (1) money market funds which are rated, at the time of purchase, in the highest short-term rating category of, or are otherwise approved by, the Rating Agencies and (2) public sector investment pools operated pursuant to Rule 2a-7 promulgated by the Securities and Exchange Commission in which the issuer's deposit must not exceed 5% of the aggregate pool balance at any time, if the pool is rated, at the time of purchase, in one of the two highest short-term rating categories by, or is otherwise approved by, the Rating Agencies;

(x) Any bonds or other obligations of any state of the United States of America or any agency, instrumentality or local government unit of such state that are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and either:

(A) That are rated, on the date of purchase, based on the irrevocable escrow account or fund (the "escrow"), in the highest long-term rating category by, or are otherwise approved by, the Rating Agencies; or

(B) As to which the following apply:

(1) such bonds or other obligations are fully secured as to principal, interest and any redemption

premium by an escrow consisting only of cash or direct obligations of the United States of America, which escrow may be applied only to the payment of the principal, interest and any redemption premium on those bonds or other obligations on their maturity date or dates or the specified redemption date or dates in accordance with those irrevocable instructions, as appropriate; and

(2) the escrow is sufficient, as verified by an independent certified public accountant, to pay principal, interest and any redemption premium on the bonds or other obligations described in this paragraph (x) on the maturity date or dates or the specified redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(xi) Obligations issued by any state of the United States of America or any agency, instrumentality or local government unit of such state, and which obligations have on the date of purchase a rating in one of the two highest rating categories of, or are otherwise approved by, the Rating Agencies, without regard to any numerical or positive or negative designation.

(xii) Investment Agreements with:

(A) A Broker/Dealer (or its parent) either (1) having uninsured, unsecured and unguaranteed debt rated, at the time of investment, investment grade by, or is otherwise approved by, the Rating Agencies (in which case the agreement must provide that, if the provider is downgraded below investment grade by at least two of the Rating Agencies, the City may terminate the agreement) or (2) providing an investment agreement which is fully secured by Federal Securities which are (a) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (b) held by any Federal Reserve Bank or a depository acceptable to the City, (c) subject to a perfected first lien on behalf of owners of the Bonds, and (d) free and clear from all third-party liens;

(B) A bank having long-term uninsured, unsecured and unguaranteed debt rated, at the time of investment, in one of the two highest rating categories by, or is otherwise approved by, the Rating Agencies. The agreement must provide that, if the bank is downgraded below "A-" (or its equivalent) by at least two Rating Agencies, the City may terminate the agreement;

(C) An insurance company having an uninsured, unsecured, and unguaranteed claims paying ability rated, at the time of investment, in the highest rating category by, or otherwise approved by, the Rating Agencies. The agreement must provide that, if the insurance company is downgraded below the highest rating category by at least two Rating Agencies, the City may terminate the agreement; and

(D) A corporation whose principal business is to enter into investment agreements, if that corporation has been assigned, at the time of investment, a counterparty rating in the highest rating category by, or is otherwise approved by, the Rating Agencies, or the Rating Agencies have, at the time of the investment, rated the investment agreements of such corporation in the highest rating category or have otherwise approved such investment. The agreement must provide that, if either the corporation's counterparty rating or that corporation's investment agreements rating is downgraded by at least two of the Rating Agencies, the City may terminate the agreement; and

(xiii) Such other investments as the Treasurer may be authorized to make with the general funds of the City.

(60) "Manager" or "Manager of the Department" means the Manager of the City's Department of Aviation, or his or her designee and successor in functions, if any (being the successor in title to the Manager of the Department of Aviation as of March 1, 2015).

(61) "Mayor" means the mayor of the City, or his or her designee, and his or her successor in functions, if any.

(62) "Minimum Bond Reserve" means (i) so long as any Bonds issued prior to August 1, 2000 are Outstanding, the maximum amount of Bond Requirements in any Fiscal Year, or portion thereof, during the period commencing on the date of such computation and ending on the last date on which any Bonds to which such Bond Requirements relate will be Outstanding, and (ii) if no Bonds issued prior to August 1, 2000 are Outstanding, an amount equal to the lesser of (A) the maximum amount of Bond Requirements in any Fiscal Year, or portion thereof, during the period commencing on the date of such computation and ending on the last date on which any Bonds to which such Bond Requirements relate will be Outstanding or (B) 125% of the average annual aggregate Bond Requirements on the Bonds then Outstanding; provided that if no Bonds issued prior to August 1, 2000 remain Outstanding, the Minimum Bond Reserve may be reduced to the maximum amount which is permitted to be capitalized for such purpose from the proceeds of such Bonds under then current law in order to maintain the exclusion from gross income for federal income tax purposes of interest on such Bonds; and provided further that no Minimum Bond Reserve shall be required for any Short-Term/Demand Obligations. With respect to any series of Bonds, 50% or more of the aggregate principal amount (or stated face amount) of which is payable as a Bond Requirement in any Fiscal Year, if such principal (or stated face amount) is not required to be redeemed or prepaid prior to such date of payment, it shall be assumed for purposes of determining the Minimum Bond Reserve that (x) such series of Bonds matures over a thirty-year term from its date of issuance, (y) bears interest at a rate determined by the Treasurer to be the rate on bonds of comparable term and credit under then existing market conditions, provided that the rate so determined shall not be less than the actual rate or rates borne by such series of Bonds, and (z) is payable on a substantially level annual debt service basis assuming the rate so determined.

(63) "Minimum Operation and Maintenance Reserve" means an amount equal to not less than one-sixth and not more than one-third of the actual Operation and Maintenance

Expenses of the Airport System during the next preceding Fiscal Year, as determined by the Manager of the Department not more often than once in each Fiscal Year.

(64) "Moody's" means Moody's Investors Service, Inc. and its successors.

(65) "Net Revenues" means the Gross Revenues remaining after the deduction of Operation and Maintenance Expenses.

(66) "Net Rent Lease" means a lease or license of facilities relating to the Airport System or Special Facilities entered into by the City, for and on behalf of the Department, pursuant to which the lessee or licensee agrees to pay to the City, for and on behalf of the Department, rentals or other payments during the term thereof for the use of certain facilities, and to pay in addition all operation and maintenance expenses relating to such facilities, including, without limitation, maintenance costs, insurance, and all property taxes and assessments now or hereafter lawfully levied.

(67) The term "newspaper" means a newspaper printed in the English language, published at least once each calendar week.

(68) "Obligations" means Credit Facility Obligations, Contract Obligations and Hedge Facility Obligations.

(69) "Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the City, for and on behalf of the Department, paid or accrued, of operating, maintaining, and repairing the Airport System. The term includes without limitation:

(a) Engineering, auditing, reporting, legal, and other overhead expenses of the various departments of the City (including without limitation the expenses of the Treasurer) directly related and reasonably allocable to the administration, operation, and maintenance of the Airport System;

(b) Fidelity bond and property and liability insurance premiums relating to the Airport System, or a reasonably allocable share of a premium of any blanket bond or policy relating to the Airport System;

(c) Payments to pension, retirement, health, and hospitalization funds, and other insurance, and to any self-insurance fund as insurance premiums not in excess of such premiums which would otherwise be required for such insurance;

(d) Any general (ad valorem) taxes, assessments, excise taxes, or other charges which may be lawfully imposed on the City, the Airport System, the revenue, or income derived therefrom, or any privilege in connection therewith;

(e) The reasonable charges of the Paying Agent and any other depositary bank relating to Bonds;

(f) Costs of contractual services, professional services, salaries, other administrative expenses, and costs of materials, supplies, repairs, and labor, relating to the Airport System or to Bonds, including without limitation the reasonable expenses and compensation of trustees, receivers, or other agents or fiduciaries;

(g) Costs incurred in collecting or refunding all or any part of the Gross Revenues including the amount of any such refunds;

(h) Costs of any utility services furnished to the Airport System by the City or otherwise;

(i) Periodic fees, premiums or other costs incurred in connection with any Credit Facility Obligations; and

(j) All other generally accepted current expenses of operating, maintaining and repairing an airport system similar to the Airport System.

The term does not include any allowance for depreciation; the Cost of any Improvement Project (except to the extent not paid as a part of such Cost and otherwise properly characterized as an Operation and Maintenance Expense); any reserves for major capital replacements or Operation and Maintenance Expenses (except as required herein); payments in respect of Debt Service Requirements; any expenses incurred by lessees or licensees under Net Rent Leases; any Operation and Maintenance Expenses relating to Special Facilities (except as otherwise provided herein); and any liabilities imposed on the City, including without limitation negligence in the operation of the Airport System.

(70) "<u>Operation and Maintenance Fund</u>" means the special and separate account designated as the "City and County of Denver, Airport System Operation and Maintenance Fund," created in Section 502(C) hereof.

(71) "<u>Operation and Maintenance Reserve Account</u>" means the special and separate subaccount in the Operation and Maintenance Fund designated as the "City and County of Denver, Airport System Operation and Maintenance Reserve Account," created in Section 504(F) hereof.

(72) "<u>Option Bonds</u>" means Bonds which by their terms may be tendered for payment by and at the option of the owners thereof prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the owners thereof.

(73) "<u>Other Available Funds</u>" means for any Fiscal Year the amount determined appropriate by the Manager of the Department to be transferred from the Capital Fund to the Revenue Fund; but in no event shall such amount exceed 25% of the aggregate Debt Service Requirements for such Fiscal Year.

(74) "<u>Other Defeasance Securities</u>" means any type of security or obligation, in addition to Federal Securities, that the Rating Agencies then maintaining ratings on any Bonds to be defeased have determined are permitted defeasance securities and qualify the Bonds to be defeased thereby for a rating in the highest category of, or are otherwise approved by, such Rating Agencies; provided that such security or obligation must be a permitted investment under the City's investment policy as then in effect.

(75) "<u>Outstanding</u>" when used with reference to any Bonds and as of any particular date means all such Bonds in any manner theretofore or thereupon issued, except:

(a) any Bonds cancelled or paid by or on behalf of the City on or before such date;

(b) any Bonds which are deemed to be paid pursuant to Section 1101 hereof or for which sufficient moneys are held in trust pursuant to Section 309 and Section 517 hereof;

(c) any Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered; and

(d) except any Bonds held as Bank Bonds (as defined in any related Supplemental Ordinance), any Option Bonds deemed tendered or purchased as provided by Supplemental Ordinance.

In determining whether the owners of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver, Bonds owned by the City shall be disregarded and deemed not to be Outstanding.

(76) The term "owner" or any similar term, when used in connection with any Bonds means the registered owner of any Bond or the owner of record as to any Bond issued in book-entry form; provided that with respect to any series of Bonds which is insured by a bond insurance policy, the term "owner" for purposes of all consents, directions, and notices provided for in this Instrument and any applicable Supplemental Ordinance, shall mean the issuer of such bond insurance policy so long as such policy issuer has not defaulted under its policy.

(77) "Paying Agent" means the Treasurer, or one or more commercial banks or trust banks, designated by Supplemental Ordinance as agent of the City for the payment of Bonds, including any successors thereof. As the context requires, the term also includes the Treasurer, or one or more commercial banks or trust banks, so designated as co-paying or alternate paying agent of the City for the payment of Bonds, including any successors thereof.

(78) The term "person" means a corporation, firm, other body corporate (including without limitation the Federal Government, the State, or any other body corporate and politic other than the City), partnership, association, or individual, and also includes an executor, administrator, trustee, receiver, or other representative appointed according to law.

(79) "Pledged Revenues" means all or a portion of the Gross Revenues. The designated term indicates a source of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification.

(80) "Principal Account" means the special and separate subaccount in the Bond Fund designated as the "City and County of Denver, Airport System Revenue Bonds, Principal Account," created in Section 504(C) hereof.

(81) "Prior Amendments" means amendments to the 1984 General Bond Ordinance consented to in writing by the requisite percentage of owners of the Prior Bonds and previously approved and duly adopted by the City Council.

(82) "Prior Bonds" means the following series of Bonds heretofore issued by the City for and on behalf of the Department pursuant to the 1984 General Bond Ordinance and which are currently Outstanding:

i. the "City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1992C," as authorized by the 1984 General Bond Ordinance and Ordinance No. 640, Series of 1992;

ii. the "City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1992F," as authorized by the 1984 General Bond Ordinance and Ordinance No. 643, Series of 1992;

iii. the "City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1992G," as authorized by the 1984 General Bond Ordinance and Ordinance No. 644, Series of 1992;

iv. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Refunding Bonds, Series 2002C," as authorized by the 1984 General Bond Ordinance and Ordinance No. 800, Series of 2002;

v. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2007F," as authorized by the 1984 General Bond Ordinance and Ordinance No. 625, Series of 2007;

vi. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2007G," as authorized by the 1984 General Bond Ordinance and Ordinance No. 626, Series of 2007, as amended and restated by Ordinance No. 722, Series of 2007;

vii. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2008B," as authorized by the 1984 General Bond Ordinance and Ordinance No. 322, Series of 2008;

viii. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2008C1-C3," as authorized by the 1984 General Bond Ordinance and Ordinance No. 483, Series of 2008;

ix. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2009A-B," as authorized by the 1984 General Bond Ordinance and Ordinance No. 578, Series of 2009;

x. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2009C," as authorized by the 1984 General Bond Ordinance and Ordinance No. 577, Series of 2009;

xi. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2010A," as authorized by the 1984 General Bond Ordinance and Ordinance No. 107, Series of 2010;

xii. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2011A," as authorized by the 1984 General Bond Ordinance and Ordinance No. 181, Series of 2011;

xiii. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2011B," as authorized by the 1984 General Bond Ordinance and Ordinance No. 489, Series of 2011;

xiv. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2012A," as authorized by the 1984 General Bond Ordinance and Ordinance No. 490, Series of 2012;

xv. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2012B," as authorized by the 1984 General Bond Ordinance and Ordinance No. 490, Series of 2012;

xvi. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2012C," as authorized by the 1984 General Bond Ordinance and Ordinance No. 491, Series of 2012; and

xvii. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2016A," as authorized by the 1984 General Bond Ordinance and Ordinance No. 16-0979, Series of 2016;

xviii. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2016B," as authorized by the 1984 General Bond Ordinance and Ordinance No. 16-0980, Series of 2016;

xix. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2017A," as authorized by the 1984 General Bond Ordinance and Ordinance No. 17-1223, Series of 2017; and

xx. the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2017B," as authorized by the 1984 General Bond Ordinance and Ordinance No. 17-1223, Series of 2017.

(83) "Project Fund" means the special and separate account designated as the "City and County of Denver, Airport System Revenue Bonds, Project Fund," created in Section 502(A) hereof.

(84) "Purchase Price" means that amount due an owner of any Bond purchased or deemed purchased pursuant to and as provided in the Supplemental Ordinance authorizing such Bond.

(85) "Purchaser" means, in connection with any Bonds, the person purchasing the Bonds or the manager or senior manager of any account purchasing the Bonds, or any successor thereof.

(86) "Rating Agencies" means any of Moody's, S&P, or Fitch, or any other nationally recognized rating agency of municipal obligations, then maintaining ratings on any of the Bonds at the request of the City.

(87) "Redemption Account" means the special and separate subaccount in the Bond Fund, designated as the "City and County of Denver, Airport System Revenue Bonds, Redemption Account," created in Section 504(E) hereof.

(88) "Redemption Date" means the date fixed by the City for the mandatory or optional redemption or required tender of any Bonds prior to their respective fixed maturity dates.

(89) "Redemption Price" means, when used with respect to a current interest Bond, the principal amount thereof plus the applicable premium, if any, payable on a Redemption Date, or when used with respect to a Capital Appreciation Bond, the Accreted Value, plus the applicable premium, if any, payable on a Redemption Date.

(90) "Refunding Bonds" means any Bonds issued to refund, pay, and discharge any Bonds, Credit Facility Obligations, Subordinate Bonds, or other securities or obligations.

(91) "Refunding Project" means any undertaking to refund, pay, and discharge any Bonds, Credit Facility Obligations, Subordinate Bonds, or other securities or obligations.

(92) "Registrar" means either the Treasurer, or one or more commercial banks or trust banks, designated in a Supplemental Ordinance, to keep books or records for the registration, discharge from registration, transfer, and conversion of Bonds, including any successors thereof. As the context requires the term also includes the Treasurer, or one or more commercial banks or trust banks, so designated, as co-registrar for such purposes, including any successor thereof.

(93) "Regular Record Date" means, with respect to a particular series of Bonds, the record date for determining Bond ownership for the purpose of paying interest as it becomes due, as such date is provided by Supplemental Ordinance.

(94) "Regularly Scheduled Hedge Payments" means the regularly scheduled payments under the terms of a Hedge Facility which are due absent any termination, default or dispute in connection with such Hedge Facility.

(95) "Released Revenues" means revenues of the Airport System in respect of which the following have been filed with the Clerk:

(a) a certificate of the Manager describing such revenues and requesting that such revenues be excluded from the term Gross Revenues;

(b) either (i) an Independent Accountant's certificate to the effect that Net Revenues in the two most recent completed Fiscal Years, after the revenues covered by the Manager's request are excluded, were at least equal to the larger of (A) the amounts needed for making the required deposits to the credit of the several subaccounts in the Bond Fund, the Bond Reserve Fund, and the Operation and Maintenance Reserve Account, or (B) an amount not less than 135% of the average Debt Service Requirements for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such revenues; or (ii) an Airport Consultant's certificate containing the estimates required by Section 704B, to the effect that, based upon reasonable assumptions, projected Net Revenues for each of the three full Fiscal Years following the Fiscal Year in which such certificate is delivered, after the revenues covered by the Manager's certificate are excluded, will not be less than the larger of (A) the amounts needed for making the required deposits to the credit of the several subaccounts in the Bond Fund, the Bond Reserve Fund, and the Operation and Maintenance Reserve Account, of (B) an amount not less than 150% of the average Debt Service Requirements for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such revenues;

(c) an opinion of Bond Counsel to the effect that the exclusion of such revenues from the definition of Gross Revenues and from the pledge and lien of this Instrument will not, in and of itself, cause the interest on any outstanding Bonds to be included in gross income for purposes of federal income tax; and

(d) written confirmation from each of the Rating Agencies to the effect that the exclusion of such revenues from the pledge and lien of this Instrument will not cause a withdrawal or reduction in any unenhanced rating then assigned to the Bonds.

Upon filing of such documents, the revenues described in the Manager's certificate shall no longer be included in Gross Revenues and shall be excluded from the pledge and lien of this Instrument.

(96) "Revenue Fund" means the special and separate account designated as the "City and County of Denver, Airport System Gross Revenue Fund," created in Section 502B hereof.

(97) "S&P" means Standard & Poor's Global Ratings and its successors.

(98) "Securities Depository" means The Depository Trust Company or any additional or other securities depository designated in a Supplemental Ordinance, or (i) if the then Securities Depository resigns from its functions as depository of the Bonds, or (ii) if the City Council discontinues use of the Securities Depository, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the City Council.

(99) "Serial Bonds" means any Bonds other than Term Bonds.

(100) The term "series" means, regardless whether such Bonds are designated as a "series," "subseries," or otherwise, all Bonds issued at one time for any Improvement Project, Refunding Project, or combination thereof.

(101) "Short-Term/Demand Obligations" means each series of Bonds issued pursuant to this Instrument, (a) the payment of principal of which is either (i) payable on demand by or at the option of the owner at a time sooner than a date on which such principal is deemed to be payable for purposes of computing Debt Service Requirements, or (ii) scheduled to be payable within one year from the date of issuance and is contemplated to be refinanced for a specified period or term either (A) through the issuance of additional Short-Term/Demand Obligations pursuant to a commercial paper or other similar program, or (B) through the issuance of long-term Bonds pursuant to a bond anticipation note or similar program, and (b) the purchase price, payment or refinancing of which is additionally secured by a Credit Facility. The City hereby declares that none of the Prior Bonds shall constitute a Short-Term/Demand Obligation and this shall be considered an amendment to each Supplemental Ordinance authorizing such Prior Bonds.

(102) "Sinking Fund Account" means the special and separate subaccount in the Bond Fund designated as the "City and County of Denver, Airport System Revenue Bonds, Sinking Fund Account," created in Section 504(D) hereof.

(103) "Sinking Fund Requirements" means for any period amounts required herein or by Supplemental Ordinance to be credited to the Sinking Fund Account.

(104) "Special Facilities" means facilities relating to or used in connection with the Airport System, the cost of which is financed with the proceeds of Special Facilities Bonds issued pursuant to Article VIII hereof. The Cost of any Special Facilities may include the types of costs included herein under the definition of "Cost," and may also include indirect costs for improvements to other parts of the Airport System or public utilities and other infrastructure not owned by the City that the Manager deems necessary and desirable in connection with such Special Facilities.

(105) "Special Facilities Bonds" means bonds or other securities to finance the cost of any Special Facilities and which are payable solely from all or a portion of the rentals received pursuant to a Net Rent Lease of such Special Facilities.

(106) "Special Record Date" means, with respect to a series of Bonds, the record date for determining Bond ownership for purposes of paying defaulted interest, as such date may be determined pursuant to Supplemental Ordinance.

(107) "State" means the State of Colorado.

(108) "Subordinate Bonds" means bonds or other securities or obligations relating to the Airport System, payable from Net Revenues, and having a lien thereon subordinate and junior to the lien thereon of Bonds.

(109) "Subordinate Bond Fund" means the special and separate account designated as the "City and County of Denver, Airport System Subordinate Revenue Bonds, Interest and Principal Retirement Fund," created in Section 502(F) hereof.

(110) "Supplemental Act" means the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended.

(111) "Supplemental Ordinance" means any ordinance of the City amending or supplementing this 2018 Amended and Restated Airport System General Bond Ordinance, including without limitation any such ordinance authorizing the issuance of Bonds hereunder, and any ordinance amendatory thereof or supplemental thereto.

(112) "Tax Code" means the Internal Revenue Code of 1986, as from time to time amended. The term includes any regulations of the U.S. Department of the Treasury

proposed or promulgated thereunder. Any reference to a specific section of the "Tax Code" shall be deemed to be a reference to the latest correlative section thereof, except where the context by clear implication otherwise requires.

(113) "Term Bonds" means Bonds of a series with a fixed maturity date or dates which do not constitute consecutive periodic installments and which Bonds are designated as Term Bonds by the Supplemental Ordinance authorizing their issuance.

(114) "Treasurer" means the manager of the City's Department of Finance, *ex-officio* Treasurer, or his or her designee, and his or her successor in functions, if any.

(115) The term "trust bank" means a commercial bank which is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

(116) "Variable Rate Bonds" means Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue, but which is subject to a maximum limitation.

B. Construction. This Instrument, except where the context by clear implication requires otherwise, shall be construed as follows:

(i) Words in the singular include the plural, and words in the plural include the singular.

(ii) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

(iii) Articles, sections, subsections, paragraphs, and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs, and subparagraphs of this Instrument so numbered or otherwise so designated.

(iv) The titles and headlines applied to articles, sections, and subsections of this Instrument are inserted only as a matter of convenience and ease in reference and in no way define, limit, or describe the scope or intent of any provisions of this Instrument.

Section 103. Successors. All of the covenants, stipulations, obligations, and agreements by or on behalf of, and other provisions for the benefit of, the City, the Department or the Council contained herein shall bind and insure to the benefit of any successor municipal corporation or governing body thereof and shall bind and inure to the benefit of any officer, board, district, commission, authority, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power, or duty of the City, the Department or the Council or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements, or other provisions.

Section 104. Parties Interested Herein. Except as otherwise expressly provided herein or by Supplemental Ordinance, nothing in this Instrument is intended or shall be construed to confer upon or to give to any person, other than the City, the Department, the Paying Agent, the Registrar, any other fiduciary or agent thereof, and the owners from time to time of the Bonds, any right, remedy, or claim under or by reason hereof or any covenant, condition, or stipulation hereof. Subject to such exception, all the covenants, stipulations, promises, and agreements herein contained by and on behalf of the City or the Department shall be for the sole and exclusive benefit of the City, the Department, such fiduciaries and agents, and any owner of any Bonds.

Section 105. Ratification. All action heretofore taken (not inconsistent with the provisions of this Instrument) by the Council, the officers of the City, and otherwise by the City directed:

A. Project. Toward any Improvement Project, Refunding Project or combination thereof; and

B. Bonds. Toward the sale and delivery of Bonds for such purposes, be, and the same hereby is, ratified, approved, and confirmed.

Section 106. Instrument Irrepealable. In consideration of the purchase and acceptance of any Bonds by those who shall own the same from time to time, this Instrument shall constitute an irrevocable contract between the City and the owner or owners of any Bonds issued hereunder; and this Instrument shall remain irrepealable until such Bonds shall be fully paid, canceled, and discharged, except as herein otherwise provided.

Section 107. Repealer. All bylaws, orders, resolutions and other ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution, or other ordinance, or part thereof, heretofore repealed.

Section 108. Severability. If any section, subsection, paragraph, subparagraph, clause, or other provision of this Instrument shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining provisions of this Instrument.

Section 109. Effective Date. This Instrument shall take effect immediately upon its final passage and publication.

Section 110. Recordation and Authentication. This Instrument after its passage shall be recorded in a Book of Ordinances of the City, kept for that purpose, and authenticated by the signature of the Mayor and attested and countersigned by the Clerk.

ARTICLE II
AUTHORITY FOR THIS INSTRUMENT AND AUTHORIZATION OF PROJECTS, PLEDGE SECURING BONDS, OBLIGATIONS OF CITY, AND LIMITATIONS THEREON

Section 201. Authority for this Instrument. This Instrument is adopted pursuant to the City's powers as a home-rule city under the Charter and Article XX of the Constitution of the State, the Enterprise Ordinance and the Supplemental Act.

Section 202. Authorization of Projects. The City or the City for and on behalf of the Department may authorize by Supplemental Ordinance any Improvement Project, Refunding Project, or combination thereof, and the issuance of Bonds for such purpose or purposes.

Section 203. Pledge Securing Bonds. Subject only to the right of the City to pay Operation and Maintenance Expenses of the Airport System, the Gross Revenues and all moneys and securities paid or to be paid to, or held or to be held in, any fund or account under this Instrument (except moneys and securities held in any Escrow Account and except as otherwise provided herein) are hereby irrevocably pledged to secure the payment of the Bond Requirements of the Bonds, Credit Facility Obligations and Hedge Facility Obligations. This pledge shall be valid and binding from and after the date of first issuance of any Bonds and, in the case of Credit Facility Obligations and Hedge Facility Obligations, the effective date of such Obligations; and the moneys and securities, as received by the City and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery, filing, or further act. The lien of this pledge and the contractual obligations hereby made shall have priority over any or all other liabilities and obligations of the City; and the lien of this pledge shall be valid and binding against all persons having claims of any kind in tort, contract, or otherwise against the City (except as herein otherwise provided) whether or not such persons have notice thereof.

Section 204. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection, and security of the owners of any and all Outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction, except as otherwise expressly provided in or pursuant to this Instrument. No such preference, priority, or distinction shall be deemed to exist by reason of the issuance of any Capital Appreciation Bonds, Credit Enhanced Bonds, Option Bonds, or Variable Rate Bonds.

Section 205. Special Obligations. All Bond Requirements of any Bonds shall be payable and collectible solely out of the Net Revenues of the Airport System and such other funds and accounts as herein or by Supplemental Ordinance provided; the owners thereof may look to any general or other fund for the payment of the Bond Requirements of the Bonds, except the designated security pledged therefor; the Bond Requirements of the Bonds shall not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation; and the Bond Requirements of the Bonds shall not be considered or held to be general obligations of the City but shall constitute its special obligations. The City does not pledge its full faith and credit and taxing power for the payment of the Bond Requirements of the Bonds.

Section 206. Character of Agreement. None of the covenants, agreements, representations, and warranties contained herein or in any Bonds issued hereunder shall ever impose or shall be construed as imposing any liability, obligation, or charge against the City (except with respect to the Net Revenues and special funds pledged therefor) or its general credit, payable out of its general fund or out of any funds derived from taxation.

Section 207. No Pledge of Property. The payment of the Bond Requirements of any Bonds issued hereunder is not secured by an encumbrance, mortgage, or other pledge of property of the City, except the Net Revenues and other funds pledged for their payment. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Bond Requirements of the Bonds.

Section 208. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of any Bonds or for any claim based thereon, or otherwise, upon any instruments of the Council authorizing their issuance or otherwise relating thereto, against any individual member of the Council, or any officer, employee, or other agent of the City, or Department, past, present, or future, either directly or indirectly through the Council, or otherwise, whether by virtue of the Charter or any constitution, statute, or rule of law, or by the enforcement of any penalty, or otherwise, all such liability, if any, being by the acceptance of the Bonds and as a part of the consideration of their issuance specially waived and released.

Section 209. No Election or Other Preliminaries. Any Bonds issued hereunder may be issued without being authorized at an election and without any other preliminaries pursuant to the Enterprise Ordinance, except as may be required by the State Constitution, the Charter, the Tax Code or as otherwise provided herein or by Supplemental Ordinance.

ARTICLE III
AUTHORIZATION, ISSUANCE, REDEMPTION, TERMS, EXECUTION, AND FORM OF BONDS

Section 301. Authorization of Bonds Generally. For the purpose of protecting the public health, conserving its property, and advancing the general welfare of its citizens, the City or the City, for and on behalf of the Department, may issue one or more series of Bonds for any Improvement Project, Refunding Project, or combination thereof, relating to the Airport System, in accordance with the provisions of this Instrument.

Section 302. General Provisions of Airport Bonds and Obligations. Each series of Bonds and Obligations in respect of each facility or contract shall be authorized by a separate Supplemental Ordinance and shall bear such designation as the City deems appropriate. Multiple series of Bonds may be authorized to be issued by a single Supplemental Ordinance and Obligations relating to a series of Bonds may be authorized in the Supplemental Ordinance authorizing the related Bonds. Bonds and Obligations shall be subject to such terms and conditions as are provided herein and by, or pursuant to, Supplemental Ordinance.

Section 303. Conditions to Issuance. Prior to or simultaneously with the delivery of the Bonds of any series, in addition to the requirements of Article VII hereof, there shall be filed with the Clerk, the following:

A. Ordinances. A copy, certified by the Clerk, of this Instrument and of all Supplemental Ordinances relating to the Bonds of such series:

(1) Description of Project. Generally describing the Improvement Project, the Refunding Project, or combination thereof;

(2) Bond Details. Providing for the issuance of the Bonds and determining (or providing the basis for determining) the amount and details thereof, including without limitation, and as may be necessary or desirable, an appropriate series designation, the date or dates of the Bonds, the year or years and amounts in which the Bonds shall mature, any of the Bonds which are Term Bonds, any Sinking Fund Requirements, the time or times and Redemption Prices at which the Bonds or designated portions thereof are to be redeemable, any modifications pursuant to Section 313 hereof, the rate or rates of interest which such Bonds shall bear (or the method of determining such interest rate or rates in the case of Variable Rate Bonds), any conversion or other options, any Credit Facility provided or to be provided therefor, and all other necessary or desirable terms and conditions; and

(3) Additional Details. Awarding the Bonds, designating any Paying Agent, designating any Registrar, designating such other fiduciaries and agents as may be appropriate, and directing the delivery of the Bonds to or upon the order of the Purchasers thereof upon payment of the purchase price therein set forth; and

B. Attorney's Opinion. An Attorney's Opinion stating that the issuance of the Bonds has been duly authorized and that all conditions precedent to the delivery of the Bonds have been fulfilled.

C. Manager's Resolution. A resolution, order, or other instrument of the Manager approving, authorizing and requesting the issuance of the Bonds and pledging to their payment the Net Revenues of the Airport System and such other funds and accounts of the Airport System as herein or in any Supplemental Ordinance provided.

Section 304. Optional Redemption of Bonds. All or any portion of the Bonds of any series may be subject to prior redemption at the City's option, as the City may determine by Supplemental Ordinance.

Section 305. Mandatory Redemption of Bonds. All or any portion of the Bonds of any series may be subject to mandatory redemption, as the City may determine by Supplemental Ordinance.

Section 306. Funds for Redemption of Bonds. If a Supplemental Ordinance provides for the mandatory redemption of any Term Bonds, money sufficient to pay the Redemption Price of such Term Bonds shall be accumulated as Sinking Fund Requirements. Money sufficient to provide for the Redemption Price due in connection with any optional redemption of Bonds shall be credited to the Redemption Account or to an Escrow Account for such purpose at least one business day prior to the redemption date for such Bonds. The interest on any such Bonds, or designated portions thereof, shall continue to be paid from the Interest Account within the Bond Fund as provided in Section 508(A) hereof (except for any interest to be paid from an Escrow Account). All such moneys shall be transferred to the appropriate Paying Agent on or before the applicable Redemption Date.

Section 307. Notice of Prior Redemption. Notice of prior redemption of any Bonds (other than Prior Bonds) shall be given, and the contents of the notice shall be in the form, as provided by Supplemental Ordinance.

Notice of the prior redemption of any Prior Bonds issued before the date of this Instrument shall be given by or at the direction of the Treasurer in the name of the City except as otherwise provided in a Supplemental Ordinance authorizing such Bonds:

A. Publication. By publication of such notice at least once, not more than 45 days nor less than 30 days prior to the Redemption Date in each:

(1) a newspaper of general circulation in the City and County of Denver, and

(2) a financial newspaper published in New York, New York, as the Treasurer may determine; and

B. Mail. By sending a copy of such notice by first-class mail or by telegram, telex, telecopy, overnight delivery or other telecommunication device capable of creating a written notice, not more than 45 days nor less than 30 days prior to the Redemption Date to each of the following:

(1) The Purchaser of the Bonds to which the notice relates, or any successor thereof known to the Treasurer,

(2) Any Financial Consultant for the Bonds to which the notice relates, or any successor thereof known to the Treasurer,

(3) The Paying Agent and any other agents or fiduciaries required to receive such notice by Supplemental Ordinance, or any successors thereof known to the Treasurer, and

(4) To any registered owner of any such Bond or Bonds at the address appearing on the registry books or records in the custody of the Registrar. The actual receipt by any owner of notice of such redemption shall not be a condition precedent to such redemption, if the notice has in fact been duly given, and failure to receive such notice shall not affect the validity of the proceedings for such redemption or the cessation of interest on the Redemption Date.

Such notice, for any prior Bonds, shall: (i) specify the number or numbers of the Bonds, or designated portions thereof, so to be redeemed (if less than all are to be redeemed) and the Redemption Date; (ii) state that on the Redemption Date there will become due and payable upon each such Bond, or designated portion thereof, the applicable Redemption Price and accrued interest to the Redemption Date, that from and after such date interest will cease to accrue; and (iii) provide payment details as set forth in the related Supplemental Ordinance.

Section 308. Certification of Notice Given. A certificate by the Treasurer that notice has been given as required by § 307 hereof shall be conclusive against all parties; and no owner may object thereto or may object to the cessation of interest on the Redemption Date on the ground that such owner failed to actually receive such notice.

Section 309. Payment of Redeemed Bonds. Notice of redemption having been duly given, and action having been duly taken to provide for the payment of the Bonds, or designated portions thereof, so called for prior redemption, the Bonds, or designated portions thereof, so called for redemption shall become due and payable on the Redemption Date stated in such notice at the applicable Redemption Price, plus interest accrued to the Redemption Date; and such Bonds, or designated portions thereof, shall be paid and cancelled; provided that if at the time of notice of any optional redemption of the Bonds there have not been deposited moneys in the Redemption Account or to an Escrow Account available for payment pursuant to this Instrument and sufficient to redeem all of the Bonds called for redemption, the notice may state that it is conditional in that it is subject to the deposit of sufficient moneys by not later than one business day prior to the redemption date, and if the deposit is not timely made the notice shall be of no effect.

If on the Redemption Date moneys for the redemption of all the Bonds, or designated portions thereof, to be redeemed, at the applicable Redemption Price, together with interest accrued to the Redemption Date, shall be held by or on behalf of the Paying Agent so as to be available therefor on such date, and if notice of redemption shall have been given, then from and after the Redemption Date such Bonds, or designated portions thereof, shall cease to bear interest and shall no longer be considered Outstanding hereunder. All moneys held by or on behalf of the Paying Agent for the redemption of any Bonds, or designated portions thereof, shall be held in trust for the account of the owners thereof.

Section 310. Form and Negotiability of Bonds. The Bonds may be issued as Bonds registered as to principal and interest or under the Book-Entry System, or in any other form as may be provided by Supplemental Ordinance. The Bonds shall be fully negotiable in form and shall have all the qualities of negotiable paper; and the owners thereof shall possess all rights enjoyed by the owners of negotiable instruments under the provisions of the Uniform Commercial Code — Investment Securities.

Section 311. Payment of Principal and Interest on Bonds. The principal of, and any premium due in connection with, the Bonds and interest thereon shall be payable by the Paying Agent as provided by Supplemental Ordinance. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to by the Paying Agent and the owner. All such payments shall be made in lawful money of the United States of America.

Section 312. Registration, Transfer and Exchange of Bonds; Persons Treated as Owners. Any Registrar for any Bonds shall be specified in the related Supplemental

Ordinance. The Registrar shall maintain and keep, at its principal office, books or records for the registration and transfer of the Bonds. Upon surrender for transfer of any Bond at the principal office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the owner or his or her attorney duly authorized in writing, the City shall execute and the Registrar shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds for a like aggregate principal amount of the same maturity.

Bonds may be exchanged at the principal office of the Registrar for a like aggregate principal amount of fully registered Bonds of the same maturity in other authorized denominations. The City shall execute and the Registrar shall authenticate and deliver Bonds which the owner making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding.

The Registrar shall require the payment by any owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer, but except as otherwise provided by Supplemental Ordinance, no charge shall be made to the owner of any Bond for the privilege of registration or transfer. Any Bonds surrendered in any such exchange or transfer shall be canceled.

The City and the Paying Agent may treat and consider the person in whose name any Bond shall be registered upon the books or records of the Registrar as the absolute owner thereof, whether the Bond shall be overdue or not, for all purposes whatsoever; and payment of, or on account of, the Bond Requirements of any Bond shall be made only to, or upon the order of, such owner or his or her legal representative. All payments made as in this section provided shall be valid and effectual to satisfy and to discharge the liability upon the Bonds to the extent of the sum or sums so paid.

Section 313. Modification of Portions of Article III. Any Supplemental Ordinance may modify or supplement the provisions of Section 306 through Section 312 hereof with respect to any series of Bonds.

Section 314. Execution of Bonds. The execution of the Bonds of any series shall be as provided by Supplemental Ordinance.

Section 315. Use of Predecessor's Signature. The Bonds of any series bearing the manual or facsimile signatures of the officers in office at the time of the execution thereof shall be the valid and binding obligations of the City, notwithstanding that before the delivery thereof and the payment therefor any or all of the individuals whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. Each officer, at the time of the execution of the Bonds and of a signature certificate relating thereto by such officers, may adopt as and for his or her own facsimile signature any facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 316. Authentication of the Bonds. Except as otherwise provided by Supplemental Ordinance, no Bond of any series shall be secured hereby or entitled to the benefit hereof, nor shall any such Bond be valid or obligatory for any purpose, unless a certificate of authentication, substantially in such form as is provided by Supplemental Ordinance, has been duly executed by the Registrar; and such certificate of the Registrar upon any such Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of such Bonds of any series.

Section 317. Incontestable Recital in Bonds. Each Bond shall recite that it is issued pursuant to the home-rule powers granted to the City in accordance with its Charter under Article XX of the State Constitution, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 318. Bond Delivery. After the execution and authentication of the Bonds of any series pursuant to the terms of a Supplemental Ordinance, the Treasurer shall cause the Bonds to be duly delivered, upon due payment being made therefor.

Section 319. Causes for Reissuance. If any outstanding Bond shall be lost, mutilated, apparently destroyed, or wrongfully taken, it may be reissued at the expense of the owner in the form and tenor of the lost, destroyed, or wrongfully taken Bond as provided in Section 4-8-405, Uniform Commercial Code — Investment Securities, as from time to time amended.

Section 320. Other Reissuance. The provisions of Section 319 hereof do not prohibit the City from reissuing, pursuant to the provisions hereof or of any Supplemental

Ordinance, any Outstanding Bond which shall not have become lost, mutilated, apparently destroyed, or wrongfully taken.

Section 321. Bond Form. The form of any Bond shall be as set forth by Supplemental Ordinance.

ARTICLE IV
USE OF BOND PROCEEDS, IMPROVEMENT AND REFUNDING PROJECTS, PROJECTS DETAILS, DISPOSITION OF FUNDS, AND TERMINATION OF ACCOUNTS

Section 401. Disposition of Bond Proceeds. Except as otherwise provided by Supplemental Ordinance, the proceeds of any series of Bonds shall be applied in the following manner:

A. Escrow Account. First, in the case of any series of Bonds which are wholly or in part Refunding Bonds, there shall be credited to and deposited in any Escrow Account created thereby, such portion of the proceeds of the Refunding Bonds as is so required by Supplemental Ordinance.

B. Capitalized Interest Account. Second, there shall be credited to the Capitalized Interest Account an amount, if any, as may be required by Supplemental Ordinance for the payment of interest due and payable on such series of Bonds. Any such moneys in the Capitalized Interest Account shall be expended at the times and in the amounts provided in a payment schedule furnished by the Treasurer.

C. Accrued Interest and Premium. Third, there shall be credited to the Interest Account any accrued interest and premium from the sale of such series of Bonds.

D. Bond Reserve Fund. Fourth, there shall be credited to and deposited in the Bond Reserve Fund such amount, if any, as may be required by Supplemental Ordinance.

E. Project Fund. Fifth, the balance of the proceeds of such series of Bonds shall be deposited as provided by Supplemental Ordinance to the credit of a subaccount in the Project Fund, created by such Supplemental Ordinance, and held in trust for the sole and exclusive purpose of paying the Cost of the Improvement Project or Refunding Project, or combination thereof, as the case may be.

Section 402. Application of Project Fund. Moneys, except as herein otherwise expressly provided, shall be withdrawn from the appropriate subaccount in the Project Fund to defray any Cost of an Improvement Project or Refunding Project, or combination thereof, and are pledged therefor. Before any payment shall be made from such subaccount in the Project Fund, the Manager of the Department shall file with the Auditor:

A. Voucher Content. A voucher which may contain any number of items signed by the Manager of the Department, stating in respect of each item to be paid:

(1) The item number of the payment,

(2) The name of the person to whom payment is due,

(3) The amount or amounts to be paid, and

(4) The purpose for which the obligation to be paid was incurred in such detail as shall be satisfactory to the Auditor;

B. Attached Certificate. A certificate signed by the Manager of the Department and attached to the voucher, certifying:

(1) The obligation in the stated amounts has been incurred by the City, and each item thereof is a proper charge against such subaccount in the Project Fund and has not been paid,

(2) There has not been filed with or served on the City any notice of lien, right of lien, or attachment upon, or claim affecting the right of any persons named in such vouchers to receive payment of any moneys which has not been released or will not be released simultaneously with the payment of such obligation,

(3) Such voucher contains no payment on account of any retained percentage which the City at the date of such certificate is entitled to retain,

(4) Such obligation shall be paid by warrant drawn on the Treasurer, signed by the Auditor, and having the same identifying number as the one stated in the voucher for such obligation, and

(5) Such other facts and estimates with respect to the expenditure of such subaccount as may be required by Supplemental Ordinance to maintain the exemption from federal income taxation of interest on such Bonds, under the Tax Code; and

C. Engineer's Certificate. A certificate appropriately signed by the Consulting Engineer or the Airport Engineer certifying:

(1) The obligations in stated amounts have been incurred by the City and each item thereof is a proper charge in a reasonable amount against the appropriate subaccount in the Project Fund and has not been paid, and

(2) Insofar as any such obligation was incurred for work, materials, equipment, or supplies, such work was actually performed in the furtherance of the Improvement Project, or such materials, equipment, or supplies were delivered for that purpose, at such place or places approved by the Airport Engineer and are under the control of the City;

but vouchers for withdrawals for the payment of fees and expenses incurred in connection with the issuance of Bonds, for the acquisition of furniture, fixtures, and equipment, or for labor and materials for acquisition work performed under the supervision of the engineering staff of the City, or for the acquisition of land or any interest therein, need not be accompanied by the certificate otherwise required hereby.

Section 403. Facility Sites. No payment shall be made from any subaccount in the Project Fund:

A. Facilities. For the acquisition of Facilities (other than land), unless in an Attorney's Opinion they are located on land good and marketable title to which is owned or can be acquired by the City in fee simple or in a sufficient lesser estate as provided in Section 404 hereof; or

B. Land. For the acquisition of land, unless accompanied by an Attorney's Opinion that good and marketable title to such land will be owned or can be acquired by the City in fee simple or in a sufficient lesser estate as provided in Section 404 hereof.

Section 404. Title to Sites. Any Improvement Project shall be acquired on land (or shall itself be land) good and marketable title to which is owned or can be acquired by the City in fee simple or in such lesser estate as in an Attorney's Opinion is sufficient for the intended purpose. (Perpetual easements, free and clear of all liens and encumbrances of whatsoever nature, or other easements in a public street or highway, or upon other lands of a body public and corporate, may constitute such sufficient lesser estate). Promptly, from time to time, the City shall take such action as may be necessary or proper to remedy or cure any defect in or cloud upon such title to such lands or other such lesser estates, whether now existing or hereafter developing, and shall prosecute all such suits, actions, and other proceedings as may be appropriate for such purpose.

Section 405. Performance Bonds. In order to insure the completion of any Improvement Project, the City shall require each person with whom it may contract for labor or for labor and materials to furnish a performance bond in the full amount of any contract with a surety company approved by the Manager of the Department and the Mayor. Any such contract shall provide that payment thereunder shall not be made by the City in excess of 95% of the current estimates of the work then completed until final completion under such contract, the final acceptance thereof by the City acting by and through the Manager of the Department, and final payment to the Contractor. All such retained funds shall remain with and be held by the City until final payment to the Contractor. Any sum or sums derived from such performance bond or performance bonds shall be used without unreasonable delay and in any event within two years after such receipt to complete such contract and, if not so used, shall be credited to the Capital Fund.

Section 406. Progress Reports. The City shall, in connection with any Improvement Project, require from the Airport Engineer, not less often than once every year a written report in reasonable detail as to the progress and the Cost of such Improvement Project, showing comparisons of such progress and cost with the estimates thereof made by the Airport Engineer, and describing any modifications made in the plans and specifications for any Improvement Project, as the case may be, or any part thereof. The City shall cause copies of every such report to be mailed to every owner of any Bonds who, prior to the date of such report, shall be filed with the Manager of the Department a written statement of his or her name and address and the owner's request for a copy of each such report, and to be mailed without request to the Airport Consultant.

Section 407. Audit of Project Fund. For each Fiscal Year after the delivery of any Bonds hereunder, until the termination of each Improvement Project, the City shall cause an audit to be made by an Independent Accountant of all receipts and moneys then on deposit in the Project Fund, and all disbursements made pursuant to the foregoing provisions of this article. Such audit reports shall be filed with the Auditor, the Treasurer, the Manager of the Department, the Airport Consultant, and the Airport Engineer. Such audit reports shall be available at all reasonable times for inspection by any other interested persons.

Section 408. Prevention of Bond Default. Subject to the prior application of the provisions of Section 515 hereof, the Treasurer shall use the proceeds of any Bonds credited to any subaccount in the Project Fund, without further order or warrant, to pay the Bond Requirements of any Bonds as the same become due whenever and to the extent moneys in the Bond Fund and the Bond Reserve Fund are insufficient for that purpose, unless such Bond proceeds shall be needed to defray Costs accrued and to accrue under any contracts then existing and relating to an Improvement Project. The Treasurer shall promptly notify the Mayor and the Manager of the Department of any such use of moneys in the Project Fund. Any moneys so used shall be restored to the appropriate subaccount, from the first Pledged Revenues thereafter received and not needed to meet the payment requirements in Section 507 through Section 509 hereof.

Section 409. Completion of Improvement Project. When each Improvement Project shall have been substantially completed in accordance with the relevant plans and specifications, and when all Costs due therefor shall have been paid, or for which reasonable provision shall have been made, the Treasurer, upon the receipt from the Airport Engineer of a certificate so stating, and upon the receipt of a written instrument of the Manager of the Department so ordering, shall cause to be transferred all surplus moneys, if any, remaining in the appropriate subaccount established in the Project Fund, except for any moneys designated in the instrument to be retained to pay any unpaid accrued or contingent Costs, to the Bond Reserve Fund, if at the time or times of any such transfer, the Minimum Bond Reserve is not fully accumulated, but if it is fully accumulated, to the Interest Account, to the Principal Account, or to the Sinking Fund Account or to any combination of such subaccounts. Upon such transfers, such subaccount in the Project Fund shall be terminated. Nothing herein:

A. Periodic Transfers. Prevents the Treasurer from causing to be so transferred from a subaccount in the Project Fund at any time prior to its termination any moneys which the Airport Engineer and the Manager of the Department determine will not be necessary for an Improvement Project, or

B. Limitations Upon Transfers. Requires the transfer of any such surplus moneys in a subaccount in the Project Fund received as grants, appropriations, or gifts the use of which moneys is limited by the grantor or donor to the construction of specifically-designated capital facilities or otherwise so that such surplus moneys may not be properly transferred under the terms of such grants, appropriations, or gifts.

Notwithstanding the foregoing provisions of this section, or any other provisions of this Instrument, any surplus moneys in the Project Fund shall be applied so as to permit or facilitate compliance with the applicable requirements of the Tax Code, including without limitation the transfer of any such surplus moneys to an escrow or other special account for the payment or redemption of any Bonds.

Section 410. Purchaser Not Responsible for Improvement Project. The validity of any Bonds shall be neither dependent on nor affected by the validity or regularity of any proceedings relating to the acquisition of any Improvement Project or Refunding Project, or combination thereof. The Purchaser of such Bonds and any subsequent owner of any such Bond shall in no manner be responsible for the application or disposal by the City or by any of its officers, agents, and employees of the moneys derived from the sale of Bonds.

Section 411. Lien on Bond Proceeds. Until proceeds of any Bonds credited to the Project Fund are applied as hereinabove provided, such proceeds shall be subject to a lien thereon and pledge thereof for the benefit of the owners of such Bonds.

Section 412. Modifications of Improvement Project. The City, acting through the Manager of the Department or otherwise, reserves the right to make alterations of, additions to, and deletions from any Improvement Project prior to the withdrawal of all moneys accounted for in the applicable subaccount in the Project Fund in accordance with this article; but any such alterations, additions, and deletions shall not, in the opinion of the Airport Consultant, render the City incapable of performing its obligations under Section 901 hereof and shall not increase the estimated Cost of such Improvement Project, if fixed by Supplemental Ordinance, by more than 25% (excluding from such determination of Cost any capitalized interest, funded reserves, purchase discounts, or costs of issuance).

ARTICLE V
ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 501. Airport System Fund. There is hereby created a separate fund designated as the "City and County of Denver, Airport System Fund," which fund consists of a self-balancing group of accounts, including, without limitation, the respective special and separate accounts and subaccounts herein created, and constitutes an independent fiscal and accounting entity. Separate accounts and subaccounts (in addition to those herein created) may be created by Supplemental Ordinance in connection with the payment of Credit Facility Obligations, or otherwise; provided, however, that the accumulation and application of Net Revenues for such purposes shall be on a parity with or subordinate to the accumulation and application of Net Revenues required by Section 508 hereof.

Section 502. Creation of Accounts. The City hereby establishes and creates the following special and separate accounts in the Airport System Fund, which shall be under the control of the City:

A. Project Fund. The "City and County of Denver, Airport System Revenue Bonds, Project Fund," which shall consist of separate subaccounts for each Improvement Project and Refunding Project, or combination thereof, as shall be provided by Supplemental Ordinance;

B. Revenue Fund. The "City and County of Denver, Airport System Gross Revenue Fund";

C. Operation and Maintenance Fund. The "City and County of Denver, Airport System Operation and Maintenance Fund";

D. Bond Fund. The "City and County of Denver, Airport System Revenue Bonds, Interest and Principal Retirement Fund";

E. Bond Reserve Fund. The "City and County of Denver, Airport System Revenue Bonds, Bond Reserve Fund";

F. Subordinate Bond Fund. The "City and County of Denver, Airport System Subordinate Revenue Bonds, Interest and Principal Retirement Fund"; and

G. Capital Fund. The "City and County of Denver, Airport System Capital Improvement and Replacement Fund."

Section 503. Escrow Account. In connection with any Refunding Bonds, the City may by Supplemental Ordinance establish with a designated Escrow Bank an Escrow Account as further provided in Section 401(A) hereof.

Section 504. Creation of Subaccounts. The City hereby establishes and creates the following special and separate subaccounts, which subaccounts shall be under the control of the City:

A. Capitalized Interest Account. The "City and County of Denver, Airport System Revenue Bonds, Capitalized Interest Account," a subaccount within the Project Fund;

B. Interest Account. The "City and County of Denver, Airport System Revenue Bonds, Interest Account," a subaccount within the Bond Fund;

C. Principal Account. The "City and County of Denver, Airport System Revenue Bonds, Principal Account," a subaccount within the Bond Fund;

D. Sinking Fund Account. The "City and County of Denver, Airport System Revenue Bonds, Sinking Fund Account," a subaccount within the Bond Fund;

E. Redemption Account. The "City and County of Denver, Airport System Revenue Bonds, Redemption Account," a subaccount within the Bond Fund; and

F. Operation and Maintenance Reserve Account. The "City and County of Denver, Airport System Operation and Maintenance Reserve Account," a subaccount within the Operation and Maintenance Fund.

Section 505. Revenue Fund Deposits. So long as any Bonds are Outstanding, the entire Gross Revenues of the Airport System, upon their receipt from time to time by the City, shall be set aside and immediately deposited to the credit of the Revenue Fund. Any moneys received for Operation and Maintenance Expenses by the City from any source other than Gross Revenues may also be deposited to the credit of the Revenue Fund and subsequently transferred to the Operation and Maintenance Fund as hereinafter provided.

Section 506. Administration of Revenue Fund. So long as any Bonds are Outstanding, the Revenue Fund shall be administered, and the moneys on deposit therein shall be applied in the order of priority, as provided in Section 507 through 516 hereof.

Section 507. Operation and Maintenance Fund. First, as a first charge on the Revenue Fund, there shall be set aside in and credited to the Operation and Maintenance Fund, each month, moneys sufficient to pay Operation and Maintenance Expenses for the next succeeding month, as such expenses become due and payable, and thereupon they shall be promptly paid. Any unencumbered surplus remaining at the end of the Fiscal Year and not needed for Operation and Maintenance Expenses (other than money accounted for therein to pay Operation and Maintenance Expenses becoming due in the month next succeeding the end of the Fiscal Year) shall be transferred as Gross Revenues to the Revenue Fund and shall be used for the purposes thereof, as herein provided.

Section 508. Bond Fund. Second, from any moneys remaining in the Revenue Fund, i.e., from the Net Revenues, there shall be credited to the Bond Fund, in the following order of priority:

A. Interest Account. Except as otherwise provided by Supplemental Ordinance, monthly, to the Interest Account, commencing on the first day of the month immediately succeeding the issuance of any Bonds, an amount which if made in substantially equal installments thereafter would be sufficient, together with any other moneys from time to time available therefor from whatever source, including without limitation moneys in the Capitalized Interest Account set aside for the payment of such interest, to pay the next maturing installment of interest on such series of Bonds. In computing any required credit with respect to any Variable Rate Bonds the interest rate used shall be as provided by Supplemental Ordinance. Moneys accounted for in the Interest Account shall be used to pay interest on Outstanding Bonds, as it becomes due.

B. Principal Account. Except as otherwise provided by Supplemental Ordinance, monthly, to the Principal Account, commencing on the first day of the month immediately succeeding the issuance of any Serial Bonds, or commencing one year prior to the first fixed maturity date of such Serial Bonds, whichever date is later, an amount which if made in substantially equal installments thereafter would be sufficient, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of principal of such Serial Bonds. Moneys accounted for in the Principal Account shall be used to pay the principal of Outstanding Serial Bonds, as they mature.

C. Sinking Fund Account. Except as otherwise provided by Supplemental Ordinance, monthly, to the Sinking Fund Account, commencing on the first day of the twelfth calendar month prior to the date on which the City is required to pay any Term Bonds, one-twelfth of the amount necessary to pay the Redemption Price or principal of such Term Bonds so to become due, except to the extent any other moneys, including without limitation moneys in any Escrow Account, will be available therefor. Moneys shall be so credited to the Sinking Fund Account on the same priority as moneys credited to the Principal Account, and moneys accounted for in the Sinking Fund Account shall be applied to pay the Term Bonds so scheduled to be retired in any year by mandatory redemption, at fixed maturity, or otherwise.

D. Redemption Account. Except as otherwise provided by Supplemental Ordinance, to the Redemption Account, on or prior to any date on which the City exercises its option to call for prior redemption any Bonds, an amount necessary to pay the Redemption Price of such Bonds on such Redemption Date, except to the extent any other moneys, including without limitation moneys in any Escrow Account, are available therefor.

If any credit required to be made to any subaccount within the Bond Fund (other than the Redemption Account) is deficient, the City shall include in the next required credit on a cumulative basis, the sum of any such deficiency or deficiencies. The moneys credited to the Interest Account, the Principal Account, the Sinking Fund Account, and the Redemption Account within the Bond Fund, and the Capitalized Interest Account within the Project Fund, shall be used to pay the Bond Requirements of the Bonds as the same become due. Any money accounted for in the Interest Account, the Principal Account, the Sinking Fund Account, or the Redemption Account which is in excess of the amount required for Bond Requirements next payable therefrom shall be transferred as Gross Revenues to the Revenue Fund forthwith, and shall be used for the purposes thereof, as herein provided.

Section 509. Bond Reserve Fund. Third, in addition to any moneys required to be deposited therein by Section 401 D hereof, from any moneys remaining in the Revenue Fund there shall be credited to the Bond Reserve Fund not less frequently than monthly, commencing no later than the first day of the month next succeeding each date on which any series of Bonds is issued or on which the amounts credited thereto are less than the Minimum Bond Reserve, an amount in cash or Investment Securities, or both, which, if made in substantially equal installments thereafter, would be sufficient to accumulate the Minimum Bond Reserve on or before the first day of the sixtieth month following the date of commencement (taking into account, in all such cases, the known minimum gain from Investment Securities to be received by the City over such period). No payment need be made into the Bond Reserve Fund so long as the moneys therein shall equal not less than the Minimum Bond Reserve, and any moneys therein exceeding the Minimum Bond Reserve shall be transferred as Gross Revenues to the Revenue Fund and be used for the purposes thereof, as herein provided.

In the event any Supplemental Ordinance so provides, the City may at any time or from time to time deposit a Credit Facility in the Bond Reserve Fund in full or partial satisfaction of the Minimum Bond Reserve; provided that any such Credit Facility shall be payable on any date on which moneys will be required to be withdrawn from the Bond Reserve Fund as provided herein.

The moneys in the Bond Reserve Fund (including, as a part thereof, the amounts payable under a Credit Facility) shall be maintained as a continuing reserve to be used, except as provided in Section 510 and Section 511 hereof, only to prevent deficiencies in the payment of the Bond Requirements of the Bonds resulting from the failure to deposit into the Bond Fund sufficient funds to pay such Bond Requirements as the same accrue.

Section 510. Termination of Deposits. No payment need be made into the Interest Account, the Principal Account, the Sinking Fund Account, the Redemption Account, or the Bond Reserve Fund, if the amounts therein and available therefor (including amounts payable under a Credit Facility) total a sum at least equal to all Bond Requirements thereafter becoming due with respect to Outstanding Bonds, in which case, moneys therein in an amount at least equal to such Bond Requirements (taking into account the known minimum gain from any investment of such moneys in Investment Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment), shall be used (together with any such gain from such investments) solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof and any other moneys derived from the Pledged Revenues may be used for any lawful purpose relating to the Airport System.

Section 511. Defraying Delinquencies. If on any required payment date of any Bond Requirements the City shall have failed for any reason to pay into the Interest Account, the Principal Account, and the Sinking Fund Account the full amount stated above, there shall be paid on such date into such subaccounts from the Bond Reserve Fund (including any Credit Facility therein) an amount equal to the respective difference between that paid from the Net Revenues and the full amount so stipulated by Section 508 hereof. The moneys so used shall be reaccumulated (or any such Credit Facility shall be reinstated) in the Bond Reserve Fund from the first Net Revenues thereafter received (not required to be otherwise applied by Section 508 hereof) in not more than sixty substantially equal monthly installments (taking into account the known minimum gain from Investment Securities to be received). If in any month the City shall for any reason fail to pay into the Bond Reserve Fund the full amount above stipulated from the Net Revenues, the difference between the amount paid and the amount so stipulated shall in a like manner be paid therein from the first Net Revenues thereafter received (not required to be applied otherwise by Section 508 hereof).

Section 512. Subordinate Bond Fund. Fourth, from any moneys remaining in the Revenue Fund, there shall be credited by the City to the Subordinate Bond Fund, such amounts as may be required to pay Subordinate Bonds, including reasonable reserves therefor, as provided by any Supplemental Ordinance or other instrument.

Section 513. Operation and Maintenance Reserve Account. Fifth, from any moneys remaining in the Revenue Fund there shall be set aside and credited to the Operation and Maintenance Reserve Account not less frequently than monthly an amount in cash or Investment Securities, or both, at least equal to the amount which, if made in substantially equal installments thereafter, would be sufficient to accumulate the Minimum Operation and Maintenance Reserve on or before the first day of the thirty-sixth month thereafter (taking into account, in all such cases, the known minimum gain from Investment Securities to be received by the City over such period). The moneys in the Operation and Maintenance Reserve Account shall be accumulated and maintained as a continuing reserve to be used only to prevent deficiencies in the payment of Operation and Maintenance Expenses of the Airport System resulting from the failure to deposit into the Operation and Maintenance Fund sufficient funds to pay such expenses as the same accrue and become due. Any moneys in the Operation and Maintenance Reserve shall be transferred as Gross Revenues to the Revenue Fund and shall be used for the purpose thereof, as herein provided.

Section 514. Capital Fund. Sixth, on the last day of each Fiscal Year, there shall be set aside and credited to the Capital Fund all moneys remaining in the Revenue Fund after all payments required to be made in such Fiscal Year by the provisions of Section 507 through Section 513 hereof have been made.

Section 515. Use of Capital Fund. Moneys accounted for in the Capital Fund, subject to any limitation herein or in any other contract relating to such account, may be withdrawn in any priority for any one, all, or any combination of the following, as the Manager of the Department may from time to time determine:

A. Capital Costs. To pay the Costs of acquiring, improving or equipping any Airport Facilities, to the extent such Costs are not Operation and Maintenance Expenses;

B. Extraordinary Costs. To pay the costs of extraordinary and major repairs, renewals, replacements, or maintenance items relating to any Airport Facilities, of a type not properly defrayed as Operation and Maintenance Expenses; and

C. Bond Requirements. To pay the Bond Requirements of any Bonds (or payments due for Subordinate Bonds) if such payment is necessary to prevent any default in such payment.

Section 516. Use of Remaining Revenues. After the payments required hereinabove in this article are made, any remaining Net Revenues in the Capital Fund may be used at the end of any Fiscal Year or whenever in any Fiscal Year there shall have been credited to the respective accounts and subaccounts designated above in Section 507 through Section 513 hereof, all amounts required to be deposited in those special and separate accounts for all of that Fiscal Year, both accrued and thereafter becoming due in the balance of the Fiscal Year, and in satisfaction of any deficiencies in any prior Fiscal Year not previously corrected, as hereinabove provided, for any one or any combination of lawful purposes relating to the Airport System, as the Manager of the Department may from time to time determine, including, without limitation, the purchase of Bonds in the open market if, in the opinion of the Treasurer, such purchase is in the best financial interests of the City.

Section 517. Funds Held for Bonds. The amounts held or applied for the payment of the Bonds Requirements due on any date with respect to a particular series of Bonds shall be set aside and held in trust for the owners of such Bonds by any agent holding moneys for such payments; and for the purposes of this Instrument, such Bond Requirements, after the due date thereof, shall no longer be considered to be Outstanding.

Section 518. Cancellation of Bonds. Except as otherwise provided by Supplemental Ordinance, all Bonds paid or redeemed, either at or before maturity shall be delivered to the City when such payment or redemption is made, and such Bonds shall thereupon be promptly canceled. Bonds so canceled may, to the extent permitted by law, at any time be destroyed by the City.

ARTICLE VI
GENERAL ADMINISTRATION

Section 601. Administration of Accounts. The accounts and subaccounts created in Articles IV and V hereof (other than any Escrow Account) shall be administered as provided in this article.

Section 602. Places and Times of Deposit. Each of such accounts and subaccounts shall be maintained as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated. The moneys accounted for in such book accounts shall be deposited in one or more bank accounts except as herein otherwise provided, but nothing herein prevents the commingling of moneys accounted for in any book accounts in any bank account or any Investment Securities. Any such bank account shall be secured by the official bond or bonds of the Treasurer, shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds, and shall be irrevocable and not withdrawable by anyone for any purpose other than the purpose or purposes designated therefor. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated. Notwithstanding any other provision herein to the contrary, moneys shall be deposited with the Paying Agent, on or before the day of each interest payment date or any other due date herein designated sufficient to pay the Bond Requirements then becoming due on the Outstanding Bonds.

Section 603. Deposit and Investment of Moneys. Any moneys in any account or subaccount created in arts. IV and V hereof, and not required for immediate disbursement and withdrawal, shall be deposited or invested by the Treasurer, with the approval of the Manager of the Department, except as otherwise provided herein:

A. Bank Deposits. In demand or time deposit accounts in one or more commercial banks located in the United States, and

B. Investment Securities. To the fullest extent practicable, in Investment Securities, which:

(1) Optional Redemption. Either shall be subject to redemption at any time at a fixed value by the owner thereof at the option of such owner, or

(2) Scheduled Maturities. Shall mature not later than the date or respective dates on which the proceeds are estimated by the Treasurer to be needed.

Moneys held in the Bond Fund, Capitalized Interest Account and the Bond Reserve Fund shall not be invested and reinvested in any obligations of the City included within the definition of Investment Securities. Investments of money in the Bond Reserve Fund shall mature not later than the final fixed maturity date of Bonds the payment of which is secured thereby. For purposes of any such investment or reinvestment, Investment Securities shall be deemed to mature at the earliest date on which the obligor or a third party is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations. In scheduling each such investment or reinvestment, the Treasurer may rely upon estimates of appropriate officers or employees of the City.

Section 604. Scheduling Disbursements. Notwithstanding the provisions of Section 603 hereof, before the Treasurer invests or reinvests any moneys accounted for in the Project Fund, the Airport Engineer shall furnish to the Manager of the Department and Treasurer a certificate setting forth a schedule of the amounts and times when moneys are estimated by the Airport Engineer to be needed to pay Costs. The Manager of the Department and Treasurer may conclusively rely upon the estimates in such certificate or any addendum thereto, and shall have no liability or responsibility for any loss on any investment or reinvestment if scheduled to produce the necessary amounts not later than 90 days after the times so certified.

Section 605. Accounting for Investments. Any Investment Securities so purchased as an investment or reinvestment of moneys in any such account or subaccount shall be deemed at all times to be a part of the account or subaccount and held in trust therefor. Except as herein otherwise provided, any interest earned on, or any profit or loss realized from the liquidation of, such Investment Securities, as well as any interest and other gain from the deposit of moneys in a commercial bank, shall be credited or charged to the Revenue Fund as such gain or loss is realized; but any such interest, profit, or loss on Investment Securities in any subaccount in the Project Fund or in the Bond Reserve Fund shall be credited or charged to such subaccount or account, and no interest or profit shall be transferred to the Revenue Fund from any subaccount in the Project Fund until its termination pursuant to Section 409 hereof, or from the Bond Reserve Fund until the moneys accounted for therein, after any such transfer, shall at least equal the Minimum Bond Reserve. No loss or profit on Investment Securities shall be deemed to take place as a result of fluctuations in the market quotations thereof prior to the sale or maturity thereof. In the computation of the amount in any account or subaccount for any purpose hereunder, except as herein otherwise expressly provided, Investment Securities purchased as an investment of moneys therein shall be valued at the cost thereof (including any amount paid as accrued interest) or the principal amount thereof, whichever is less; except that Investment Securities purchased at a premium may initially be valued at the cost thereof, but in each year after such purchase shall be valued at a lesser amount determined by ratably amortizing the premium over their remaining term. Any bank deposits shall be valued at the amounts deposited, exclusive of any accrued interest or any other gain to the City until such gain is realized by the receipt of an interest-earned notice, or otherwise. The valuation of Investment Securities and bank deposits accounted for in any account or subaccount shall be made not less frequently than annually.

No voucher or certificate pursuant to Section 402 hereof shall be required as a condition to the transfer pursuant to this Section 605 of amounts from any subaccount in the Project Fund to the Revenue Fund, the Bond Fund or the Bond Reserve Fund.

Section 606. Redemption or Sale of Investment Securities. The Treasurer shall present for redemption before or at maturity, or shall sell on the prevailing market at the best price obtainable, any Investment Securities so purchased as an investment or reinvestment of moneys in any account or subaccount whenever it is necessary so to do in order to provide moneys to meet any required withdrawal, payment, or transfer from such account or subaccount. Neither the Treasurer, nor any officer of the City, shall be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this

Instrument. The Treasurer shall semiannually notify the Manager of the Department of any gain or loss in any account or subaccount held by the Treasurer.

Section 607. Character of Funds. The moneys in any account or subaccount shall consist of lawful money of the United States or Investment Securities, or both. Moneys deposited in a demand or time deposit account in a commercial bank pursuant to Section 602 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 608. Payment of Bond Requirements. The moneys credited to any account or subaccount designated in Article V hereof for the payment of the Bond Requirements due in connection with any series of Bonds shall be used without requisition, voucher, warrant, further order, or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements payable from such account or subaccount as such Bond Requirements are due, except to the extent any other moneys are available therefor.

ARTICLE VII
BOND LIENS, ADDITIONAL BONDS AND OBLIGATIONS

Section 701. First Lien Bonds. The Bonds issued hereunder, subject to the payment of the Operation and Maintenance Expenses of the Airport System, constitute an irrevocable and first lien (but not necessarily an exclusively first lien) upon the Gross Revenues of the Airport System.

Section 702. Issuance of Completion Bonds. If the proceeds from the sale of a series of Bonds available in whole or in part for payment of the Cost of an Improvement Project are not sufficient to pay, together with other moneys available therefor, the entire Cost of such Improvement Project, regardless whether the amount of such deficiency results from any modification of the Improvement Project made pursuant to Section 412 hereof, or for any other reasons, the City may issue Completion Bonds in such amount as is necessary to defray any such additional Cost. Completion Bonds shall be issued in accordance with section 703 hereof, and compliance with Section 704 hereof is not required.

Section 703. Authorization of Completion Bonds. Upon the issuance of one or more series of Bonds in an aggregate principal amount not exceeding the estimated maximum principal amount determined to be necessary by Supplemental Ordinance to defray, together with other moneys available therefor, including, without limitation, any investment income, the

Cost of an Improvement Project, if the aggregate amount available therefor is not sufficient to pay such Cost, regardless of the reason therefor, the City may adopt a Supplemental Ordinance (i) determining the deficit in the amount available in the subaccount for such Improvement Project, and (ii) authorizing the issuance of a series of Completion Bonds.

Prior to any delivery of Completion Bonds there shall be filed with the Clerk a certificate of the Manager of the Department (i) stating that the Improvement Project has not materially changed (except as permitted by Section 412 hereof) from its description in any Supplemental Ordinance relating to a series of Bonds issued to finance such Improvement Project, (ii) estimating the revised aggregate Cost of such Improvement Project, (iii) stating that the revised aggregate Cost of such Improvement Project cannot be paid with the moneys available on the date of the certificate in the appropriate subaccount in the Project Fund or in the Capital Fund, and (iv) stating that, in the opinion of the Manager of the Department, the issuance of the Completion Bonds is necessary to provide funds for the completion of the Improvement Project.

Section 704. Additional Bonds for Improvement Projects. Additional Bonds (other than Completion Bonds) may be authorized and delivered for the purpose of paying the Cost of any Improvement Project. Prior to the delivery of such series of Bonds, there shall be filed with the Clerk:

A. Accountant's Certificate or Opinion. A certificate or opinion of an Independent Accountant setting forth, for the last audited Fiscal Year or for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the delivery of such series of Bonds, as determined by the Independent Accountant, (i) the Net Revenues, together with any Other Available Funds, for such period, and (ii) the aggregate Debt Service Requirements for such period; and demonstrating that for such period the Net Revenues, together with any Other Available Funds, at least equaled the larger of either:

(1) The amount needed for making the required deposits to the credit of the several subaccounts in the Bond Fund and to the credit of the Bond Reserve Fund and the Operation and Maintenance Reserve Account, or

(2) An amount not less than 125% of the aggregate Debt Service Requirements for such period.

B. Airport Consultant's Report. A report of the Airport Consultant estimating, for each of the three Fiscal Years commencing with the earlier of either the Fiscal Year following the Fiscal Year in which the Manager of the Department estimates such Improvement Project will be completed, or the first Fiscal Year in which there are Debt Service Requirements with respect to the Bonds to be issued for such Improvement Project, (i) the Gross Revenues and (ii) the Operation and Maintenance Expenses and other amounts required to be deposited in each of the subaccounts (other than the Redemption Account) in the Bond Fund, the Bond Reserve Fund, and the Operation and Maintenance Reserve Account; and demonstrating that the Net Revenues in each such Fiscal Year, together with any Other Available Funds, are projected to be at least equal the larger of either:

(1) The amounts needed for making the required deposits to the credit of the several subaccounts (other than the Redemption Account) in the Bond Fund, the Bond Reserve Fund, and the Operation and Maintenance Reserve Account, or

(2) An amount not less than 125% of the aggregate of any Debt Service Requirements for each such Fiscal Year, for the series of Bonds then to be issued, and for any future series of Bonds which the Manager of the Department shall estimate will be required to complete payment of the Cost of such Improvement Project (such Debt Service Requirements of any future series of Bonds to be estimated by the Airport Consultant or by the Financial Advisor, if any), in each case after giving effect, among other factors, to the increase in Operation and Maintenance Expenses and to the completion of the Improvement Project or any completed portion thereof, and the increase in rates, fees, rentals, or other charges (or any combination thereof) as a result of the completion of such Improvement Project or any such completed portion thereof; and

C. Absence of Default. A certificate of the Manager of the Department that at the time of the adoption of the Supplemental Ordinance authorizing such Bonds, the City is not in default in making any payments required by Article V hereof.

In any computation required by this section, there shall be excluded from Gross Revenues any capital gain resulting from any sale or revaluation of Investment Securities or bank deposits, or both. If any one or more of the documents required by subsections A through C of this section cannot be given with the required results stated therein, the City may not issue the proposed Bonds. Nothing contained in this section obligates the City to take any action in violation of any applicable requirements imposed by law, as to any increase in any rentals, rates, fees, and other charges, or otherwise.

Section 705. Refunding Bonds. Refunding Bonds may be issued in such principal amount as may be necessary to effect a Refunding Project if prior thereto or simultaneously therewith there are filed with the Clerk:

A. Redemption Instructions. If any Bonds to be refunded are to be called for prior redemption at the option of the City, a certificate of the Treasurer that irrevocable instructions to give due and timely notice of such redemption have been given; and

B. Moneys and Federal Securities for Redemption. A certificate of the Treasurer that either (i) moneys in an amount sufficient to effect payment of the Bond Requirements of the Bonds to be refunded, as the same become due, are held (or are required to be deposited) in an Escrow Account or with the appropriate Paying Agent in trust for such purpose, or (ii) Federal Securities (or such other Investment Securities as are permitted by Section 1101 hereof) are held (or are required to be deposited) in an Escrow Account or with the appropriate Paying Agent in such principal amounts, of such maturities, bearing such interest, if any, and otherwise having such terms and qualifications as are set forth in Section 1101 hereof, to provide, together with any moneys so held (or required to be deposited), for the payment of the Bond Requirements of the Bonds to be refunded, as the same become due, which Federal Securities (or such other Investment Securities) and moneys are held (or are required to be deposited) in trust in accordance with Section 1101 hereof.

For purposes of this section, Credit Facility Obligations shall be deemed to be Bonds.

Section 706. Refunding Subordinate Bonds. Refunding Bonds issued to refund Subordinate Bonds may be issued in such principal amount as may be necessary to effect a Refunding Project if, in addition to the requirements of Section 705 hereof, the City furnishes and files with the Clerk the certificates, reports or opinions required by subsections A through C, Section 704 hereof; provided that for purposes of such certificates, reports or opinions, the Refunding Bonds to be so issued shall be treated, as nearly as practicable, as Improvement Bonds.

Section 707. Subordinate Bonds Permitted. Nothing herein prevents the City from issuing bonds or other securities or incurring other obligations having a lien on the Net Revenues of the Airport System subordinate to the lien thereon of Bonds. Any such Subordinate Bonds may be authorized by Supplemental Ordinance, or by any other instrument of the City.

Section 708. Superior Bonds Prohibited. Nothing herein permits the City to issue bonds or other securities or incur other obligations having a lien on the Net Revenues of the Airport System superior to the lien thereon of the Bonds, and any such bonds or other securities or other obligations are hereby prohibited.

Section 709. Contract Obligations. The City or the City for and on behalf of the Department may incur Contract Obligations for any Improvement Project or Refunding Project. Such Contract Obligations shall be incurred pursuant to a Supplemental Ordinance, which (i) may pledge all or any designated portion of the Net Revenues to the payment of such Contract Obligations; (ii) shall provide the terms and conditions of such Contract Obligations; (iii) shall provide for the payment of such Contract Obligations; and (iv) may provide for such other matters as the Manager and the City shall determine. Prior to the incurrence of any Contract Obligations there shall be filed with the Clerk the certificates, opinions and reports described in subsections B and C of Section 704 hereof; provided that for the purposes of such certificates, opinions and reports Contract Obligations shall be treated, as nearly as practicable, as Bonds.

ARTICLE VIII
SPECIAL FACILITIES AND SPECIAL FACILITIES BONDS

Section 801. Privileges Reserved. The City or the City, for and on behalf of the Department, may enter into contracts pursuant to which the City will agree to construct Special Facilities to be financed by the issuance of Special Facilities Bonds; and the City may lease such Special Facilities upon the conditions provided in Section 802 through Section 805 hereof. The City shall not use any amounts derived from the Gross Revenues to pay any costs relating to Special Facilities except if the Manager of the Department, in his or her sole discretion, determines that a compelling need exists for a particular expenditure and that such expenditure is necessary for and in the best interests of the Airport.

Section 802. No Prejudicial Competition. Special Facilities shall not be acquired and leased, if comparable facilities serving comparable ends may be adequately and efficiently made available to the users of the Airport through the then existing Airport Facilities; and the City shall not acquire and lease any such Special Facilities, the use and occupation of which would, in the opinion of the Airport Consultant, result in a reduction of Net Revenues below the minimum required to be maintained by Section 901 hereof.

Section 803. Facilities Lease. A Net Rent Lease of any Special Facilities shall be entered into between the parties to such contract pursuant to which the lessee agrees to pay to the City rentals in periodic installments in each year during the term thereof which shall be sufficient to pay the principal of, interest on and any redemption premiums due in connection with the Special Facilities Bonds to be issued by the City pursuant to this article to pay the cost of acquiring, improving, or equipping such Special Facilities. The term of any Net Rent Lease shall not exceed the term of the Special Facilities Bonds issued in connection with that Net Rent Lease.

Section 804. Ground Lease. A second Net Rent Lease for the same term as that provided in the lease entered into under the provisions of Section 803 shall be entered into between the parties to such contract providing for additional rentals for the ground upon which such facilities are located, which lease shall provide for rental payments to the City payable in periodic installments. Such ground rentals shall be firm for the term of the lease entered into under Section 803 hereof, but the lease may include provisions for increasing or decreasing such ground rentals during the lease term. All such ground rental payments shall be payable into the Revenue Fund.

Section 805. Use of Rentals from Such Facilities. The City may issue Special Facilities Bonds for the purpose of acquiring, improving, and equipping Special Facilities at the Airport System for lease pursuant to the provisions of this article and subject to the limitations, if any, imposed by law. Such Special Facilities Bonds shall be payable solely from all or a part of the rentals under one or more Net Rent Leases payable to the City pursuant to Section 803 hereof, and shall not be a charge or claim against the Revenue Fund or any other account designated in Article V hereof. After such Special Facilities Bonds have been fully paid and retired or are otherwise no longer Outstanding, all revenues derived from such Special Facilities shall be a part of the Gross Revenues and shall be applied by the City in accordance herewith, and all costs of operating and maintaining such Special Facilities paid by the City shall be considered as Operation and Maintenance Expenses, and such Special Facilities shall be a part of the Airport System.

Section 806. Loan Agreements for Special Facilities Bonds. In connection with Special Facilities to be used by one or more person, in lieu of a Net Rent Lease the City may also enter into a loan or financing Agreement under which the user or users of the Special Facilities agree to pay all expenses of operation and maintenance and to make payments sufficient to pay the principal of, interest on, and any redemption premium due in connection with Special Facilities Bonds to be issued by the City to finance such Special Facilities. Except for ground rentals or payments in lieu of ground rentals to be received by the City, all or part of the payments to be made under such loan or financing agreement may be assigned by the City to secure the payment of Special Facilities Bonds issued by the City to finance such Special Facilities.

ARTICLE IX
RENTALS, RATES, FEES, AND OTHER CHARGES

Section 901. Rate Maintenance Covenant. The City covenants that it shall at all times fix, revise, charge, and collect rentals, rates, fees, and other charges for the use of the Airport System in order that in each Fiscal Year the Gross Revenues, together with any Other Available Funds, will at all times be at least sufficient:

To provide for the payment of Operation and Maintenance Expenses for the Fiscal Year, and

To provide for the larger of either:

(1) The amounts needed for making the required cash deposits in the Fiscal Year to the credit of the several subaccounts in the Bond Fund (except the Redemption Account) and to the credit of the Bond Reserve Fund, the

Subordinate Bond Fund, and the Operation and Maintenance Reserve Account; or

(2) An amount not less than 125% of the aggregate Debt Service Requirements for such Fiscal Year.

In any computation hereinabove required by this section, there shall be excluded from the Gross Revenues any capital gain resulting from any sale or revaluation of Investment Securities or bank deposits, or both. Nothing contained in this section obligates the City to take any action in violation of any applicable requirements imposed by law. All such rentals, rates, fees, and other charges for the use of the Airport System must be reasonable in relation to the cost of providing, operating, and maintaining the particular Facility and the services furnished by such Facility.

Section 902. Increasing Revenues. The City covenants that if the Gross Revenues in any Fiscal Year, together with any Other Available Funds, are less than the amounts specified above in Section 901, upon the receipt of the audit report for the Fiscal Year, the Manager of the Department will require the Airport Consultant to make recommendations as to the revision of the schedule of rentals, rates, fees, and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Manager of the Department, on the basis of such recommendations and other information available to the Manager of the Department, will revise the schedule of rentals, rates, fees, and charges for the use of the Airport as may be necessary to produce Gross Revenues as aforesaid.

Section 903. Compliance with Recommendations. If the Manager of the Department shall comply with Section 902 hereof, there shall be no Event of Default under the provisions of Section 1203D hereof, even though the Gross Revenues, together with any Other Available Funds, are not actually sufficient to provide funds in the amounts required for such Fiscal Year.

Section 904. Review of and Comment upon Schedules. All schedules of rentals, rates, fees, and charges for the use of the Airport as established by the Manager of the Department shall be submitted to and reviewed by the Airport Consultant as to their adequacy, and a copy of the schedule and the Airport Consultant's comments shall thereupon be filed with the Manager of the Department.

Section 905. Collection of Charges. The City shall cause all rentals, rates, fees, and charges relating to the Airport System to be collected as soon as is reasonable and shall prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, including without limitation the imposition of penalties for any defaults, to the end that the Pledged Revenues shall be adequate to meet the requirements of this Instrument. The rentals, rates, fees, and charges due shall be collected in any lawful manner.

ARTICLE X
MISCELLANEOUS PROTECTIVE COVENANTS

Section 1001. General. The City hereby particularly covenants and agrees with the owners of Bonds and makes provisions which shall be a part of its contract with such owners to the effect and with the purpose set forth in the following provisions of this article.

Section 1002. Performance of Duties. The City shall faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenues, the Airport System, and any Special Facilities required by the Constitution and laws of the State and the various ordinances, resolutions, and other instruments of the City, including, without limitation, the proper segregation of the proceeds of each series of Bonds relating to the Airport System and the Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Section 1003. Contractual Obligations. The City shall perform all contractual obligations undertaken by it under leases or other agreements with the Federal Government, under the contract to purchase each series of Bonds with the Purchaser thereof, and any other agreements with all other persons relating to the Bonds, the Obligations, the Pledged Revenues, or the Airport System.

Section 1004. Further Assurances. At any and all times the City shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver, and file or record all further instruments, acts, deeds, conveyances, assignments, transfers, other documents, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, the Gross Revenues of the Airport System, and other moneys and accounts hereby pledged or assigned, or intended so to be, or which the City may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Instrument and to comply with any applicable law. The City shall defend, preserve, and protect the pledge of the Gross Revenues and other moneys and accounts pledged hereunder and all the rights of every owner of any Bonds payable from the Pledged Revenues against all claims and demands of all persons whomsoever.

Section 1005. Conditions Precedent. Upon the date of issuance of any Bonds, all conditions, acts, and things required by the Constitution or statutes of the United States, the Constitution or statutes of the State, the Charter, this Instrument, or any Supplemental Ordinance, to exist, to have happened, and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the City, shall not contravene any debt or other limitation prescribed by the Constitution or statutes of the United States, the Constitution or statutes of the State, or the Charter.

Section 1006. Rules, Regulations and Other Details. The City shall establish and enforce rules and regulations governing the operation, care, repair, maintenance, management, control, occupancy, use, and services of the Airport System and any Special Facilities. The City shall observe and perform all of the terms and conditions contained in this Instrument and shall comply with all valid acts, rules, regulations, orders, and directives of any legislative, executive, administrative, or judicial body applicable to the Airport System and any such Special Facilities.

Section 1007. Governmental Approval. The City shall maintain and operate the Airport System at standards required in order that the same may be approved by the proper and competent Federal Government authority or authorities for the landing and departure of aircraft operating in scheduled service, or otherwise, and as a terminal point of the City for the receipt and dispatch of passengers, property, and mail by aircraft.

Section 1008. Competent Personnel and Operation. The City shall at all times employ in connection with the operation of the Airport System in executive and managerial capacities only individuals competent therefor by reason of training and experience. The City shall administer the Airport System in accordance with sound business principles.

Section 1009. Operation and Maintenance of Airport System. The City, insofar as it may legally do so, without any violation of other provisions of this Instrument, shall operate the Airport System in a sound and economical manner and shall maintain and preserve the Airport

System, or cause the Airport System (and Special Facilities) to be maintained and preserved, in good repair, working order, and sanitary condition, free from obstructions, in a manner suitable for air transport operations, and in such manner as will qualify the Airport System to receive maximum financial aid from the Federal Government, which aid it may in its discretion seek and procure if available on fair and reasonable terms. The City also shall from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals so that at all times the operation of the Airport System may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating airport facilities of like size and character.

Section 1010. Competing Airport Facilities. Unless, in an Attorney's Opinion, compliance with this covenant in a particular situation would violate Federal or State anti-trust laws, the City shall neither construct, affirmatively permit to be constructed, facilitate the construction or operation of, or enter into any agreement permitting or otherwise facilitating the construction or operation of, other facilities to be operated by any person and competing with the operation of the Airport in a manner that would, in the opinion of the Manager of the Department, materially and adversely affect the City's ability to comply with the requirements of Section 901 hereof; but nothing herein prevents the City from participating in a joint action agency, other regional entity, or as a party to any intergovernmental agreement for the acquisition, operation and maintenance of airport facilities if adequate provision has been made for the payment of all Bond Requirements of all Outstanding Bonds or if such acquisition, operation and maintenance, in the written opinion of the Airport Consultant, will not materially and adversely affect the City's ability to comply with the requirements of Section 901 hereof. Nothing herein contained, however, impairs the police power of the City.

Section 1011. Employment of Consultants. The City shall employ a consultant for the purpose of performing and carrying out the duties imposed on the Airport Consultant by this Instrument or any instrument or other proceedings relating to the Airport system.

Section 1012. Corporate Existence. The City shall maintain its corporate identity and existence so long as any Bonds remain Outstanding, unless another body corporate and politic, by operation of law or by contract, succeeds to the duties, privileges, powers, liabilities, disabilities, immunities, and rights of the City with respect to the Airport System without, in an Attorney's Opinion, adversely and materially affecting the privileges and rights of any owner of any Outstanding Bond.

Section 1013. Disposal of Airport Prohibited. Except in the normal course of business and except as otherwise provided by Section 1014 and Section 1015 hereof, neither all nor a substantial part of the Airport System shall be sold, leased, mortgaged, pledged, encumbered, alienated, or otherwise disposed of until all Bonds have been paid in full, as to all Bond Requirements; provided, however, that the City may transfer all or a substantial part of the Airport System to another body politic and corporate (including without limitation any successor of the City) if such body politic and corporate succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the City with respect to the Airport System, or such substantial part thereof, without, in an Attorney's Opinion, adversely and materially affecting the privileges and rights of any owner of any Outstanding Bonds. In the event of any such transfer and assumption, nothing herein prevents the retention by the City of any Facility of the Airport if, in an Attorney's Opinion, such retention will not materially and adversely affect the privileges and rights of any owner of any Outstanding Bonds. All easements and licenses on, over, or across the Airport shall be revocable in nature, and any instrument conveying such an interest shall require the grantee to relocate the facility covered thereby without cost to the City if such relocation is determined by the Manager of the Department to be necessary to the proper operation or development of the Airport.

Section 1014. Leases. The City may execute leases, licenses, easements, or other agreements for the use of any part of the Airport System with the Federal Government or any other persons, if such instrument shall not, in the opinion of the Manager of the Department, materially and adversely affect the City's ability to comply with the requirements of Section 901 hereof; but any such lease or other agreement, excluding presently existing leases and other existing agreements, and excluding any future Net Rent Lease relating to any Special Facilities and made in accordance with the provisions of Article VIII hereof, but including any other future Net Rent Leases or other future agreements negotiated on a net rent basis, shall contain provisions for the reestablishment of the amount of rental or other payments (which, at the discretion of the Manager of the Department, may be in a fixed amount or may be based upon an index, formula or other predetermined method) at intervals of not more than five years beginning with the effective date of any such lease or other agreement; provided that any such provisions shall in any event permit an increase in rents, rates, fees, and other charges in excess of those that would otherwise result, if necessary to comply with the provisions of Article IX hereof.

Section 1015. Disposal of Unnecessary Property. The City may sell, lease, mortgage, pledge, encumber, alienate, or otherwise dispose of, or exclude from the Airport System, any Facilities constituting a part of the Airport System which have, in the opinion of the Manager of the Department, ceased to be necessary for the efficient operation of the Airport System, or which have been replaced by other Facilities of at least equal value, except to the extent the City is prevented from so doing by any contractual limitation relating thereto. The net proceeds of the sale of any Facilities under this section shall be used for the purpose of replacing Facilities at the Airport System or shall be paid into the Capital Fund for the purposes thereof.

Section 1016. Loss from Condemnation. If any part of the Airport System shall be taken by the exercise of a power of eminent domain, the amount of any award received by the City as a result of such taking shall be paid into the Capital Fund for the purposes thereof or held as a reserve for deposit subsequently into the Capital Fund, as the Manager of the Department may determine.

Section 1017. Payment of Governmental Charges and Liens. The City shall pay or cause to be paid all taxes, assessments, and other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Airport System, or upon any part thereof, and any Special Facilities, or upon any portion of the Gross Revenues, or revenues otherwise relating to the Airport System, when the same shall become due. The City shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Airport System, or any part thereof, and to any Special Facilities, except for any period during which the validity of the same is being contested in good faith by proper legal proceedings. The City shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within sixty days after the same shall become payable, all lawful claims and demands for labor, materials, supplies, or other objects which, if unpaid, might by law become a lien upon the Airport System, any part thereof, any Special Facilities, the Gross Revenues, or any other revenues relating to the Airport System. Nothing herein contained requires the City to pay or cause to be discharged or to make provision for any such tax, assessment, lien, charge, or demand before the time when payment thereon shall be due, or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

Section 1018. Protection of Security. The City, the officers, agents, and employees of the City, and the Council shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of any Bonds according to the terms of such Bonds. The City shall maintain, preserve, and renew all the rights, powers, privileges, and franchises now owned or hereafter acquired with respect to the Airport System. No contract shall be entered into and no other action shall be taken by which the rights of any owner of any Bond might be prejudicially and materially impaired or diminished.

Section 1019. Prompt Payment of Funds. The City shall promptly pay the Bond Requirements of every Bond in the manner specified in the Bond according to its true intent and meaning.

Section 1020. Use of Airport System Revenues. None of the Gross Revenues of the Airport System shall be used for any purpose other than as provided herein or by Supplemental Ordinance. The City shall apply the Net Revenues to the payment of the Bond Requirements of Bonds, and the City is not obligated to make such payments from any other source or moneys, except as otherwise provided herein or by Supplemental Ordinance.

Section 1021. Use of Bond and Reserve Funds. The Bond Fund and the Bond Reserve Fund (and any Credit Facility credited thereto) shall be used solely and only, and the moneys credited to such accounts are hereby pledged, for the purpose of paying the Bond Requirements of Bonds, except as otherwise provided herein or by Supplemental Ordinance.

Section 1022. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Airport Facilities, or any part thereof, or on or against the Gross Revenues of the Airport System derived or to be derived. The City shall not create or permit to be created any charge or lien on the Gross Revenues of the Airport System, except as permitted by this Instrument or Supplemental Ordinance.

Section 1023. Claims. The City shall defend against every suit, action, or proceeding at any time brought against any owner of any Bonds upon any claim arising out of the receipt, application, or disbursement of any of the Gross Revenues, or involving such owner's rights under this Instrument or other proceedings relating to the issuance of such Bonds; the City shall also indemnify and save harmless any such owners against any and all liability, claim, or assertion by any person whomsoever, arising out of such receipt, application, or disbursement;

but such owner at his or her election may appear in and defend any such suit, action, or proceedings.

Section 1024. Accumulation of Interest Claims. In order to prevent any accumulation of claims for interest after maturity, the City shall not directly or indirectly extend or assent to the extension of the time for the payment of any claim for interest on any Bonds; and the City shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any claims for interest. If the time for the payment of any such installment of interest shall be extended in contravention of the foregoing provisions, such installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or security of this Instrument, except upon the prior payment in full of the principal of all Bonds then Outstanding and of all matured interest on all such Bonds the payment of which has not been extended.

Section 1025. Fidelity Bonds. The Treasurer shall be bonded at all times in an amount of not less than $3,000,000, which fidelity bond shall be conditioned upon the proper application of the Gross Revenues and of any other moneys relating to the Airport System, including, without limitation, the proceeds of any Bonds and any other securities relating to the Airport System or any Special Facilities. The costs of such fidelity bond or a reasonably allocated share of the costs of any blanket fidelity bond relating to moneys relating to the Airport System and other moneys of the City in the custody, wholly or in part, of the Treasurer shall be considered as Operation and Maintenance Expenses of the Airport System.

Section 1026. Records and Accounts. Proper books of record and account shall be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Airport System, to any Special Facilities thereat, and to all moneys relating thereto, including, without limitation, the Gross Revenues. Such books shall include (but not necessarily be limited to) monthly records, all in such reasonable detail as may be determined by the Manager of the Department and in accordance with general accounting principles, showing:

A. Receipts. The Gross Revenues and other moneys received and relating to the Airport System or any Special Facilities;

B. Purposes and Accounts. The respective purposes for which such moneys were paid and the respective accounts and subaccounts in which such moneys were accounted for; and

C. Complete Accounting. Complete and correct entries of all transactions relating to the receipt, disbursement, allocation, and application of all moneys, including, without limitation, those moneys, if any, accounted for in the Project Fund.

All requisitions, requests, certificates, opinions, and other documents received by any person on behalf of the City in connection with the Airport System or any Special Facilities under the provisions of this Instrument shall be retained in the City's official records.

Section 1027. Right of Inspection. Subject to security and safety regulations of the United States, the State, or any county or municipal government (including without limitation the City), a representative or agent of the owner or owners of 5% in aggregate principal amount of Bonds then Outstanding shall have the right at all reasonable times (including times during the continuance of an Event of Default) to inspect the Airport Facilities and to inspect and to make copies of its financial statements, other records, books, accounts, and data.

Section 1028. Quarterly Reports. The City shall cause reports of such books and other records to be prepared at least quarterly and shall cause copies of each such report to be posted to EMMA, as soon as practicable.

Section 1029. Audits Required. The City shall cause an independent Accountant to audit such books and records of the Airport System for each Fiscal Year and to prepare an audit report; such audit and report to be made and prepared as soon as practicable following the close of such Fiscal Year.

Section 1030. Contents of Audit Reports. Each such audit report shall be in such reasonable detail as may be required, shall be in accordance with generally accepted accounting principles, and shall include at least the following:

A. Statement. A statement in detail of the income and expenditures relating to the Airport System for the audit period, including, without limitation, a statement of:

(1) The amount of the Gross Revenues,

(2) The amount of the Operation and Maintenance Expenses,

(3) The amount of the Net Revenues, including a statement as to the amount of Other Available Funds and as to whether or not such Net Revenues together with such Other Available Funds have been at least sufficient to meet the provisions of Section 901 here of, and

(4) The amount of any capital expenditure relating to the Airport System and any Special Facilities for the audit period;

B. Balance Sheet. A balance sheet as of the end of such Fiscal Year, including without limitation the amounts on hand, both cash and investments, in each of the accounts and subaccounts created by this Instrument;

C. Accountant's Comment. The Independent Accountant's comment regarding the City's methods of operation and accounting practice and the manner in which the City has carried out the requirements of this Instrument, and any other instrument and other proceedings relating to the Airport System and any Special Facilities as is deemed appropriate;

D. Insurance List. A list of the insurance policies in force at the end of the audit period, setting out as to each policy:

(1) The amount of the policy,

(2) The risks covered,

(3) The name of the insurer, and

(4) The expiration date of the policy; and

E. Recapitulation. A recapitulation of each account and subaccount created by this Instrument and any other instrument or other proceeding relating to the Airport System, any Special Facilities, the Gross Revenues, or the Outstanding Bonds, or otherwise relating to the Airport System, into which account or subaccount are put moneys derived from:

(1) The operation of the Airport System or any Special Facilities, and

(2) Any sale of the Outstanding Bonds, such analysis to show the balance in such account or subaccount at the beginning of the audit period, the deposits and withdrawals during such period, and the balance at the end of such period.

Section 1031. Distribution of Audit Reports. The City agrees to furnish by posting on EMMA, within ninety days from the time each audit report is filed with the City.

Section 1032. Fire and Extended Coverage Insurance. From and after the time when any contractors engaged in connection with the Airport System, or any part thereof, shall cease to be responsible pursuant to the provisions of their respective contracts for loss or damage thereto occurring from any cause, the City shall insure and at all times keep the Airport System insured to the extent possible with a responsible insurance company, companies, or carriers authorized and qualified under the laws of the State to assume the risk thereof against direct physical damage or loss from fire and so-called extended coverage perils in an amount not less than 80% of the replacement value of the Facilities so insured, less depreciation; but such amount of insurance shall at all times be sufficient to comply with any legal or contractual requirement which, if breached, would result in assumption by the City of a portion of any loss or damage as co-insurer; and also if at any time the City shall be unable to obtain such insurance to the extent above required at reasonable cost as determined by the Manager of the Department, the City shall maintain such insurance to the extent reasonably obtainable. Insurance against any other risks or type of loss as are or shall be customarily covered may be obtained, under a standard "all risk policy" with extended coverage for public property, or otherwise, including, without limitation, insurance against loss or damage to the Airport System by flood or other waters, elements of weather, explosion of any nature, earthquake, volcanic eruption, and war risk (or any combination thereof), when, if, and to the extent any such insurance can be procured at reasonable rates in the sole opinion of the Manager of the Department.

Section 1033. Use of Insurance Proceeds. Immediately after any loss or damage to the Airport System which is covered by insurance, the City may cause plans and specifications for repairing, reconstruction, or otherwise replacing the damaged or destroyed Facilities, and an estimate of the cost thereof, to be prepared and filed with the Manager of the Department. The proceeds of all insurance referred to in Section 1032 hereof shall be available for and to the extent necessary be applied to the repair, reconstruction, and other replacement of the damaged or destroyed Facilities. If such proceeds are more than sufficient for such purpose, the balance remaining shall be paid into the following accounts in the following priorities:

A. Bond Reserve Fund. First, into the Bond Reserve Fund to the extent necessary to bring the balance therein to the then Minimum Bond Reserve; and

B. Capital Fund. Second, into the Capital Fund.

If such proceeds shall be insufficient to repair, reconstruct, or otherwise replace the damaged or destroyed Facilities, the deficiency may be supplied from moneys in the Capital Fund, or any other accounts or subaccounts legally available for such purposes. If the cost of repairing, reconstruction, or otherwise replacing the damaged or destroyed Facilities, as estimated by the Manager of the Department, shall not exceed the proceeds of insurance and other moneys legally available for such purpose, the Manager of the Department shall forthwith commence and diligently prosecute the repair, reconstruction, or other replacement of the damaged or destroyed Facilities.

Section 1034. Transfer to Capital Fund. The proceeds of any insurance designated in Section 1032 hereof and not applied within eighteen months after receipt by the City to the repair, reconstruction or replacement of the damaged or destroyed Facilities, unless the City is prevented from so doing because of conditions beyond its control, shall be transferred to the Capital Fund.

Section 1035. Miscellaneous Insurance. The City shall at all times carry with a responsible insurance company or companies authorized and qualified under the laws of the State to assume the risk thereof:

A. Loss of Use Insurance. To the extent not provided for in leases and other agreements between the City and others relating to the Airport System, insurance covering loss of revenues from Airport Facilities by reason of necessary interruption, total or partial, in the use thereof, resulting from damage thereto or destruction thereof, however caused, in such amount as is estimated to be sufficient to provide a full normal income during the period of suspension; but

(1) Such insurance shall cover a period of suspension of the period of reconstruction as estimated by the Airport Engineer, but not less than twelve months;

(2) Such insurance may exclude losses sustained by the City during the first seven days of any total or partial interruption of use; and

(3) If at any time the City shall be unable to obtain such insurance to the extent above required, it shall carry such insurance to the extent reasonably obtainable at reasonable rates in the sole opinion of the Manager of the Department.

In any calculation of the full normal income for such insurance, consideration shall be given to the expected, as well as current and prior, revenues, from such Airport Facilities, or from other sources, and may also make allowances for any probable decrease in the Operation and Maintenance Expenses or any other charges and expenses while use is interrupted. Any proceeds of such insurance shall be deposited to the credit of the Revenue Fund and shall be subject to the uses of and shall be applied as provided for moneys in the Revenue Fund.

B. Liability Insurance. Insurance in the form and amount recommended by the Manager of the Department against liability to any individual sustaining bodily injury or any person sustaining property damage or the death of any individual by reason of any defect or want of repair in or about the Airport System, or by reason of the negligence of any employee, and against such other liability for individuals, including workmen's compensation insurance, to the extent attributed to ownership and operation of the Airport System, and damage to property of persons as the Manager of the Department may recommend; but in the case of the company or companies insuring the Airport System under a general liability policy against loss from bodily injury or property damage, or both, the total liability of such company or companies for all damages because of all bodily injury and all property damage arising out of continuous or repeated exposure to substantially the same general conditions to which the policy applies as the result of any one occurrence, subject to such exclusions generally made to such a policy, shall be not less than $75,000,000.00 under a single limit of liability endorsement or other like provision of the policy, regardless of the number of:

(1) Insureds under the policy,

(2) Individuals who sustain bodily injury or persons who sustain property damage,

(3) Claims made or suits brought on account of bodily injury or property damage, or

(4) Occurrences.

Section 1036. Maintenance of Policies. All such insurance policies designated in Section 1032 and Section 1035 hereof shall be filed with the Manager of the Department and shall be subject to inspection at all reasonable times by any owner of any Outstanding Bond or any authorized representative of any such owner. If the Manager of the Department determines that certain insurance required in Section 1032 and Section 1035 hereof cannot be obtained to the extent therein required at reasonable rates, the Manager of the Department shall prepare a written memorandum to that effect, designating each such type of insurance in question and stating in each such case that the insurance was not obtainable or that designated insurance was required in substitution for the required insurance, the reason or reasons for its substitution, and when and to the extent that substituted insurance was procured at reasonable rates, as the case may be. Each such memorandum shall be filed with the policies on file with the Manager of the Department and shall also be subject to such, inspection.

Section 1037. Tax Covenants. The City hereby covenants for the benefit of each owner of any Bond that it shall not (i) make any use of the proceeds of any Bonds, any fund reasonably expected to be used to pay the principal of or interest on any Bonds, or any other funds of the City; (ii) make any use of any Airport Facilities; or (iii) take (or omit to take) any other action with respect to any Bonds, the proceeds thereof, or otherwise, if such use, action or omission would, under the Tax Code, cause the interest on any Bonds to be included in gross income for federal income tax purposes. Notwithstanding such covenant, the City may issue Bonds the interest on which is intended to be included in gross income for federal income tax purposes and, in such event, the provisions of the foregoing covenant and any other requirement of this Ordinance intended to establish or maintain the exclusion from federal income taxation of interest on such Bonds shall be inapplicable to such Bonds.

Section 1038. Preservation of Enterprise Status. The City hereby covenants that it shall not take (or omit to take) any action with respect to the Department that would cause the Department to lose its status as an "enterprise" within the meaning of Section 20, Article X, State Constitution.

ARTICLE XI
MISCELLANEOUS

Section 1101. Defeasance. This Instrument and any Bonds may be defeased, as follows:

A. Defeasance of Instrument. If, when the Bonds secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this Instrument or any Supplemental Ordinance, and the whole amount of the principal of, premium, if any, and interest due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder, then all covenants, agreements and other obligations of the City to the owners of Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon the request of the City, any fiduciary or agent shall assign and transfer to the City all property then held by it, shall execute such documents as may be reasonably required by the City, and shall turn over to the City any surplus held by it in any fund, account, or subaccount. Upon such defeasance, all money held by or on behalf of the City hereunder may be used for any lawful purpose relating to the Airport System.

B. Defeasance of Bonds.

(1) Any Bonds of any one or more series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in this section if: (1) in case such Bonds are to be redeemed on any date prior to their maturity, the City shall by Supplemental Ordinance have given irrevocable instructions to effect due notice of redemption on such Redemption Date, if such notice is required; (2) there shall have been deposited in an Escrow Account, either moneys in an amount which shall be sufficient, or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the obligor, the principal of and interest on which when due, and without any reinvestment thereof, shall provide moneys which, together with the moneys, if any, deposited with or held in such Escrow Account, at the same time and available therefor, shall be sufficient to pay when due the principal of, premium if any, and interest

due and to become due on such Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be; and (3) in the event such Bonds are not by their terms subject to redemption within the next 60 days, the City by Supplemental Ordinance shall have given irrevocable instructions to effect, as soon as practicable and in the same manner as the notice of redemption is given pursuant to Section 307 hereof or as otherwise provided by Supplemental Ordinance, notice to the owners of such Bonds that the deposit required by (2) above has been placed in such Escrow Account and that such Bonds are deemed to have been paid in accordance with this section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on such Bonds. Neither such Federal Securities (or principal or interest payments received with respect thereto) nor moneys placed in such Escrow Account shall be withdrawn or used for any purpose other than the payment of the principal of, premium, if any, and interest on said Bonds and such Federal Securities or moneys shall be held in trust solely for the payment of such principal of, premium, if any, and interest on such Bonds; provided, any cash received from the principal or interest payments on such Federal Securities if not then needed for such purpose, shall, to the extent such cash will not be required at any time for such purpose, shall be paid over to the City for any lawful purpose relating to the Airport System free and clear of any trust, lien, security interest, or otherwise under this Instrument, and to the extent such cash will be required for such purpose at a later date shall be reinvested in Federal Securities maturing at times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on such Bonds on or prior to such Redemption Date or maturity date thereof, as the case may be. Any such Bonds shall no longer be secured by or entitled to the benefits of this Instrument, except for the purpose of any payment from such moneys or Federal Securities placed in such an Escrow Account.

(2) As to Variable Rate Bonds, the amount required for the interest thereon shall be calculated at the maximum rate which such Variable Rate Bonds may bear; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and such Federal Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to fully discharge and satisfy such Variable Rate Bonds pursuant to the provisions of this section, the City may use for lawful purposes relating to the Airport System the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing such Variable Rate Bonds or otherwise existing under this Instrument.

(3) Notwithstanding any provisions of this Instrument to the contrary, Option Bonds may only be fully discharged and satisfied by depositing moneys or Federal Securities which together with other moneys lawfully available therefor shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of, premium, if any, and interest on such Option Bonds which could become payable to the owners of such Option Bonds upon the exercise of any options provided to the owner of such Option Bonds or upon the mandatory tender thereof; provided, however, that if, at the time such a deposit is made, the options originally exercisable by the merger of an Option Bond are no longer exercisable or such Option Bonds are no longer subject to mandatory tender, such Option Bond shall not be considered an Option Bond for purposes of this paragraph. if any portion of the moneys deposited for the payment of the principal of, premium, if any, and interest on Option Bonds is not required for such purpose, the City may use for lawful purposes relating to the Airport System the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Option Bonds or otherwise existing under this Instrument.

Upon compliance with the provisions of this section with respect to all series of Bonds then Outstanding, this Instrument may be discharged in accordance with the provisions of this section, but the liability of the City in respect of such Bonds shall continue provided that the owners thereof shall thereafter be entitled to payment only out of such Escrow Account.

For all purposes of this section, the term "Federal Securities" shall be deemed to include those Investment Securities described in (but subject to the limitations of) Section 102A(59) (b)(i) hereof and Other Defeasance Securities.

Section 1102. Delegated Powers. Pursuant to the Charter and the Supplemental Act, the Mayor, Auditor, Clerk, Treasurer, Manager of the Department and other officers and employees of the City be, and hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Instrument.

Section 1103. Evidence of Owners. Any request, consent, or other instrument which this Instrument may require or may permit to be signed and to be executed by the owner of any Bonds may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such owner in person or by his or her attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of any person of the Bonds shall be sufficient for any purpose of this Instrument (except as otherwise herein expressly provided) if made in the following manner.

A. Proof of Execution. The fact and the date of the execution by any owner of any Bonds or his or her attorney of such instrument may be provided by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Clerk or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the individual signing such request or other instrument acknowledged to him or her the execution, or an affidavit of a witness of such execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate owner of any Bonds may be established without further proof if such instrument is signed by an individual purporting to be the president or vice-president of such corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any person or persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a person or persons purporting to act in such fiduciary or representative capacity; and

B. Proof of Ownership. The ownership of any fully registered Bond, the amount and numbers of such Bonds, and the date of owning the same shall he proved by the registration records of the Registrar, but the Clerk may nevertheless in his or her discretion require further or other proof in cases where they deem the same advisable.

Any request or consent of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the City in accordance therewith.

Section 1104. Holidays. If the date for making any payment or deposit or the last date for performance of any act or the exercise of any right, as provided herein or by Supplemental Ordinance, shall be a Saturday, Sunday, legal holiday or other day on which banking institutions in the City are authorized by law to remain closed, such payment or deposit may be made or act performed or right exercised on the next succeeding day not a Saturday, Sunday, legal holiday or other day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date so provided, and no interest shall accrue for the period after such nominal date.

Section 1105. Installment Purchase Obligations. Nothing herein shall prevent the City from entering into installment purchase agreements payable from Net Revenues to acquire, improve or equip Airport Facilities. In any such event, the City's obligations thereunder shall be deemed to be obligations in respect of Bonds or Subordinate Bonds, as the case may be, and the provisions of this Instrument, to the fullest extent practicable, shall be deemed to apply.

Section 1106. Notice to Ratings Agencies. The Treasurer shall provide or cause to be provided to each of the Rating Agencies a copy of each notice given to owners of the Bonds, such notices to be sent to the address of each Rating Agency as filed with the Treasurer.

ARTICLE XII
DEFAULTS, RIGHTS AND REMEDIES OF BONDOWNERS

Section 1201. Owner's Remedies. Each owner of any Bond shall be entitled to all of the privileges, rights, and remedies provided herein, and as otherwise provided or permitted at law or in equity or by other statutes, except as otherwise provided herein or in a Supplemental Ordinance with respect to Credit Enhanced Bonds.

Section 1202. Right To Enforce Payment. Nothing in this article affects or impairs the right of any owner of any Bond to enforce the payment of such Bond in accordance with its terms.

Section 1203. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Nonpayment of Principal and Premium. Payment of the principal of the Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, either at maturity, by mandatory or optional prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest on any Bonds is not made when the same becomes due and payable;

C. Incapable To Perform. The City for any reason is rendered incapable of fulfilling its obligations hereunder;

D. Nonperformance of Duties. The City fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Pledged Revenues, to the Airport System, or otherwise, including, without limitation, this Instrument, and such failure continues for sixty days after receipt of notice by the City from the owners of 10% in principal amount of the Bonds then Outstanding; provided, however, that it shall not be considered an Event of Default under this subsection if the Manager of the Department determines that corrective action has been instituted within such sixty day period and is being diligently pursued;

E. Failure to Reconstruct. The City discontinues or unreasonably delays or fails to carry out with reasonable dispatch the repair, reconstruction, or other replacement of any material part of the Airport (i.e., any part of the Airport which, if not promptly repaired, reconstructed or otherwise replaced, would have a material, adverse effect on the Pledged Revenues otherwise available for the payment of Bonds) which is destroyed or damaged and is not promptly replaced (whether such failure to replace the same is due to impracticability of such replacement, is due to a lack of moneys therefor, or for any other reason);

F. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the Airport System or for any Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or both such Airport System and such moneys, or an order or decree having been entered without the consent or acquiescence of the City is not vacated or discharged or stayed on appeal within sixty days after entry;

G. Default of Any Provision. The City makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements, and other provisions contained in any such Bonds or in this Instrument on its part to be performed, and such default continues for sixty days after written notice specifying such default and requiring the same to be remedied is given to the City by the owners of 10% in principal amount of the Bonds then Outstanding; provided, however, that it shall not be considered an Event of Default under this subparagraph if the Manager of the Department determines that corrective action has been instituted within such sixty day period and is being diligently pursued;

H. Bankruptcy Petition. The City files a petition relating to its Airport System and seeking a composition of indebtedness under the Federal Bankruptcy Law, or under any other applicable law or statute of the United States or the State; and

I. Other. Such other Event of Default as is set forth in any Supplemental Ordinance

Section 1204. Remedies for Defaults. Upon the happening and continuance of any of the Events of Default, as provided in Section 1203 hereof, then (except as otherwise expressly provided by Supplemental Ordinance with respect to Credit Enhanced Bonds), and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, the owners of not less than 10% in principal amount of the Bonds Outstanding (by notice in writing to the City, Paying Agent, if any, and Registrar, if any), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall became and be immediately payable, anything in this Instrument or in any of the Bonds contained to the contrary notwithstanding. The right of the owners of not less than 10% in principal amount of the Bonds to make any such declaration as aforesaid, however, is subject to the conditions that if, at any time after such declaration, but before the Bonds shall be matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper charges, expenses and liabilities of the owners, and all other sums then payable by the City under this Instrument (except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the City or provision satisfactory shall be made for such payment, and all defaults under the Bonds or under this Instrument (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good, then and in every case the owners of a majority in principal amount of the Bonds Outstanding, by written notice to the City may rescind such declaration and annul such default in its entirety, then any such declaration shall ipso facto be deemed to be rescinded and any such default and its consequences shall ipso facto be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

In addition, upon the happening and continuance of any of the Events of Default, as provided in Section 1203 hereof, then and in every case the owner or owners of not less than 10% in principal amount of the then Outstanding Bonds may proceed, against the City and its agents, officers, and employees to protect and to enforce the rights of any owner of the Bonds under this Instrument by mandamus or by other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in this Instrument, or by an award of execution of any power herein granted for the enforcement of any proper, legal, or equitable remedy as such owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the City to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of all the Bonds then Outstanding.

Section 1205. Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of such owners hereunder, the consent to any such appointment being hereby expressly granted by the City, may enter and take possession of the Airport System subject to the rights and privileges of any lessee or other user under any lease or other contract, may operate and maintain the same, may prescribe rentals, rates, fees, and other charges, and may collect, receive, and apply all Gross Revenues and any other revenues relating to the Airport System arising after the appointment of such receiver in the same manner as the City itself might do.

Section 1206. Rights and Privileges Cumulative. The failure of any owner of any such Outstanding Bond to proceed in any manner herein provided shall not relieve the City, its Council, or any of the City's officers, agents, or employees of any liability for failure to perform or carry out any duty, obligation, or other commitment. No delay or omission of any owner of any Outstanding Bond to exercise any right or power upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Each right or privilege of any such owner is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any owner shall not be deemed a waiver of any other right or privilege thereof.

Section 1207. Duties Upon Defaults. Upon the happening of any of the Events of Default as provided in Section 1203 hereof, the City, in addition, shall do and perform all proper acts on behalf of and for the owners of any Bonds to protect and to preserve the security created for the payment of such Bonds and to insure timely payment thereof.

During the continuance of an Event of Default, subject to any limitations with respect to payment of Credit Enhanced Bonds, the City shall, after payment (but only out of moneys received other than pursuant to a draw on a Credit Facility) of the amounts required for reasonable and necessary Operation and Maintenance Expenses and for the reasonable renewals, repairs and replacements of the Airport System necessary in the judgment of the City to prevent a loss of Gross Revenues, apply all moneys, securities, funds under this

Instrument, including without limitation Gross Revenues, as an express trust for the owners of the Bonds and apply the same as follows and in the following order:

A. Unless the principal of all of the Bonds shall have become due and payable,

(1) First, to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

(2) Second, to the payment to the persons entitled thereto of the unpaid principal or redemption price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

B. If the principal of all of the Bonds shall have become due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the owners, and all other sums payable by the City under this Instrument, including the principal and redemption price of and accrued unpaid interest on all Bonds which shall then be payable, shall either by paid by or for the account of the City, or provision shall be made for such payment, and all defaults under this Instrument or the Bonds shall be made good or secured, and thereupon its City shall be restored to their former positions and rights under this Instrument.

To the extent such revenues, if any, exceed such requirements, both accrued and to accrue to their respective fixed maturity dates or to any Redemption Date or Redemption Dates relating thereto, whichever is earlier, such Gross Revenues shall be applied to payment of Subordinate Bonds. If the City fails or refuses to proceed as in this section provided, the owner or owners of not less than 10% in principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the owners of the Bonds as hereinabove provided; and to that end any such owners of Outstanding Bonds shall be subrogated to all rights of the City under any agreement, lease, or other contract involving the Pledged Revenues or the Airport System entered into prior to the effective date of this Instrument or thereafter while any such Bonds are Outstanding.

Section 1208. Duties in Bankruptcy Proceedings. If any such lessee or other user of the Airport System proceeds under any laws of the United States relating to bankruptcy, including, without limitation, any action under law providing for corporate reorganization, it shall be the duty of the City and its appropriate officers are hereby authorized and directed to take all necessary steps for the benefit of the owners of the Bonds in such proceedings, including, without limitation, the filing of any claims for unpaid rentals, fees, other charges, and other payments due to the City or otherwise arising from the breach of any of the covenants, terms, or conditions of the lease or any other contract relating to the Airport System, unless the Manager of the Department determines that the costs of such action are likely to exceed the amounts thereby recovered from such obligor.

Section 1209. Prejudicial Action Unnecessary. Nothing in this article requires the City to proceed as provided therein if the Manager of the Department determines in good faith and without any gross abuse of his or her discretion that if the City so proceeds it is more likely than not to incur a net loss rather than a net gain or such action is otherwise likely to affect materially and prejudicially the owners of the Outstanding Bonds.

Section 1210. Notice of Default. The City shall mail to the owners of Bonds and post to EMMA, written notice of the occurrence of any Event of Default for any Bonds issued after the date of execution of this Instrument; provided that, except in the case of an Event of Default described in subparagraphs A and B of Section 1203, the City shall be protected if withholding of such notice is in the best interests of the owners of Bonds.

ARTICLE XIII
AMENDMENT OF INSTRUMENT

Section 1301. Amendments Without Consent. The City may adopt Supplemental Ordinances amending or supplementing this Instrument without the consent of or notice to the owners of Bonds, as follows:

A. Additional Bonds and Matters Not Inconsistent. To authorize the issuance of Bonds and, in connection therewith or otherwise, to specify and determine any matters and things which are not contrary to or inconsistent with this Instrument, including without limitation provisions for the issuance and payment of Bonds in other than registered form, provisions with respect to Credit Facilities, provisions creating and applying additional funds or accounts, and provisions for the marketing or remarketing of Bonds;

B. Curing Defects. To cure any formal defect, omission or ambiguity in this Instrument;

C. Additional Rights. To grant to or confer upon the owners of any Bonds any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred, including without limitation the designation of a trustee for the owners of Bonds, the transfer of custody and control of any fund or account to any such trustee, and provisions for the rights and obligations of any such trustee;

D. Additional Covenants. To add to the covenants and agreements of the City set forth in this Instrument;

E. Additional Limitations. To add to the limitations and restrictions on the City set forth in this Instrument;

F. Confirming Pledges. To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Instrument, of the Pledged Revenues or of any other moneys, securities, of funds;

G. Trust Indenture Act. To cause this Instrument to comply with the Trust Indenture Act of 1939, as from time to time amended; and

H. Other Changes. To effect, in connection with the issuance of any Bonds or otherwise, any other changes in this Instrument which, in the opinion of an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized, do not materially and prejudicially affect the right of the owners of any Bonds.

Section 1302. Other Amendments. In addition, this Instrument may be amended or supplemented by a Supplemental Ordinance without receipt by the City of any additional consideration, but with the written consent of the owners of Bonds which constitute more than 50% in aggregate principal amount of all Bonds Outstanding at the time of the adoption of such Supplemental Ordinance and affected by such amendment or supplement.

Section 1303. Limitations upon Amendments. Notwithstanding the provisions of Section 1301 and Section 1302 hereof, no such Supplemental Ordinance shall permit without the consent of the owner of any Outstanding Bond so affected:

A. Changing Payment. A change (other than as expressly provided for in the Supplemental Ordinance authorizing such Bond) in the maturity or in the terms of redemption of the principal of any Outstanding Bonds or any installment of interest thereon; or

B. Reducing Return. A reduction (other than as expressly provided for in the Supplemental Ordinance authorizing such Bond) in the principal amount of any Outstanding Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith; or

C. Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Instrument; or

D. Modifying Limitations upon Amendment. A reduction of the principal amount or percentages of Bonds the consent of the owners of which is required for any such amendment or other modifications; or

E. Priorities Between Bonds. The establishment of priorities as between Bonds issued and Outstanding under the provisions of this Instrument; other than as may be expressly permitted herein; or

F. Prejudicial Modification. Other modifications materially and prejudicially affecting the rights of the owners of some (but not all) Bonds then Outstanding.

Section 1304. Notice of Amendment. Whenever the Council proposes to amend or modify this Instrument under the provisions of Section 1302 hereof, it shall cause notice of the proposed amendment to be mailed:

A. Owners. To the owners of all the Bonds then Outstanding; and

B. Purchasers. To the Purchaser of the Bonds then Outstanding, or to any successor thereof known to the Clerk.

Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the Clerk for public inspection.

Section 1305. Time for Amendment. Whenever at any time within one year from the date of such notice, there shall be filed in the office of the Clerk an instrument or instruments executed by the required number of owners, which instrument or instruments shall refer to the proposed Supplemental Ordinance or amendments described in such notice and shall specifically consent to and approve the adoption of such instrument, the Council may adopt such Supplemental Ordinance and such instrument shall become effective; provided that the term of any consent may specify a period of time longer or shorter than one year for the giving of such consent.

Section 1306. Binding Consent to Amendment. If the required number of owners, at the time of the adoption of such Supplemental Ordinance, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no owner of any Bond whether or not such owner shall have consented to or shall have revoked any consent as in this article provided, shall have any right or interest to object to the adoption of such Supplemental Ordinance or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof.

Section 1307. Time Consent Binding. Unless a longer period is specified by the terms of a consent, any consent given by the owner of a Bond pursuant to the provisions of this article shall be irrevocable for a period of six months from the date of the notice above provided for in Section 1304 and shall be conclusive and binding upon all future owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of such notice, by the owner who gave such consent or by a successor in title by filing notice of such revocation with the Clerk, but such revocation shall not be effective if the required number of owners, prior to the attempted revocation, consented to and approved the Supplemental Ordinance or amendments referred to in such revocation.

Section 1308. Unanimous Consent. Notwithstanding any of the foregoing provisions of this article, the terms and the provisions of this Instrument and the rights and the obligations of the City and of the owners of all Outstanding Bonds issued hereunder may be amended or otherwise modified in any respect upon the adoption by the City and upon the filing with the Clerk of a Supplemental Ordinance to that effect and with the consent of the owners of all the then Outstanding Bonds, such consent to be given as provided in Section 1306 hereof; and no notice to owners of Bonds shall be required, and the time of consent shall not be limited except as may be provided in such consent.

Section 1309. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this article provided may bear a notation by endorsement or otherwise in form approved by the Council as to such action; and if any such Bond so authenticated and delivered shall bear such notation, then upon demand of the owner of any Bond Outstanding at such effective date and upon presentation of his or her Bond for the purpose at the principal office of the Clerk or Registrar, suitable notation shall be made on such Bond by the Clerk or Registrar as to any such action. If the Council so determines, new Bonds so modified shall be prepared, authenticated, and delivered; and upon demand of the owner of any Bond then Outstanding, shall be exchanged without cost to such owner for Bonds then Outstanding upon surrender of such Bonds.

Section 1310. Proof of Instruments and Bonds. The fact and date of execution of any instrument under the provisions of this article, the amount and number of the Bonds owned by any person executing such instrument, and the date of his or her owning the same may be proved as provided by Section 1103 hereof.

COMMITTEE APPROVAL DATE: July 18, 2018

MAYOR-COUNCIL DATE: July 24, 2018

PASSED BY THE COUNCIL August 6, 2018

- PRESIDENT

APPROVED: - MAYOR Aug 8, 2018

ATTEST: - CLERK AND RECORDER,
EX-OFFICIO CLERK OF THE
CITY AND COUNTY OF DENVER

NOTICE PUBLISHED IN THE DAILY JOURNAL August 2, 2018 ; August 9, 2018

PREPARED BY: Hogan Lovells US LLP and Becker Stowe Partners LLC DATE: July 26, 2018

REVIEWED BY: Everett Martinez, Assistant City Attorney DATE: July 26, 2018

Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed ordinance. The proposed ordinance is submitted to the City Council for approval pursuant to § 3.2.6 of the Charter.

Kristin M. Bronson, City Attorney

BY: __________, Assistant City Attorney DATE: Jul 26, 2018

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This Table of Contents is not a part of the Series 2018A-C Airport System Supplemental Subordinate Bond Ordinance

APPENDIX B-2

THE SERIES 2022 SUPPLEMENTAL ORDINANCE

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<u>BY AUTHORITY</u>

ORDINANCE NO. 20220066 **COUNCIL BILL NO. 22-0569**

SERIES OF 2022 **COMMITTEE OF REFERENCE:**

BUSINESS, ARTS, WORKFORCE & AERONAUTICAL SERVICES

<u>A BILL</u>

For an ordinance concerning the Airport Facilities of the City and County of Denver; authorizing the issuance of the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2022" from time to time, in one or more series or subseries, on a taxable or a tax-exempt basis, in the maximum aggregate principal amount of $3,980,000,000 for the purposes of defraying the costs of the Series 2022 Project, and providing other details in connection therewith; authorizing the Treasurer, within certain limitations and restrictions, to finalize details, terms and other provisions of the Bonds, their negotiated sale, determination of Refunded Bonds, and to select the registrar, paying agent, escrow bank and underwriters; approving forms of and authorizing execution and delivery of certain documents; ratifying action previously taken; providing for other related matters; and providing the effective date of this ordinance.

PREFACE

This ordinance (referred to herein as “this Supplemental Ordinance”) is supplemental to, and is adopted for and on behalf of the Department in accordance with the provisions of, the General Bond Ordinance.

DEFINITIONS

All defined terms in this Supplemental Ordinance have the meanings set forth in the General Bond Ordinance except as otherwise expressly provided herein and in Section 102 of this Supplemental Ordinance, except where the context by clear implication otherwise requires.

RECITALS

(1) The City is a municipal corporation duly organized and existing as a home rule city under Article XX, State Constitution, and under the Charter, and is a political subdivision of the State.

(2) Subject to certain exceptions, all legislative powers possessed by the City, conferred by Article XX, State Constitution, or contained in the Charter, as either has from time to time been amended, or otherwise existing by operation of law, are vested in the City Council.

(3) Pursuant to Article XX, State Constitution, the Charter, and the plenary grant of powers as a home rule city, the City has acquired certain airport facilities constituting its Airport System, the management, operation, and control of which is vested by the Charter in the Department of Aviation. Pursuant to the Enterprise Ordinance, the City designated the Department as an “enterprise” within the meaning of Section 20, Article X, State Constitution. The Enterprise Ordinance provides that, the City owns the Department; the Manager of the Department of Aviation is the governing body of the Department; and the Department has the authority to issue its own bonds or other financial obligations in the name of the City, payable solely from revenues derived or to be derived from the functions, services, benefits or facilities of the Department or from any other available funds, as authorized by ordinance after approval and authorization by the Manager.

(4) Pursuant to the 1984 General Bond Ordinance, there have been issued multiple series of Senior Bonds and other Obligations in respect of the Airport System and such Senior Bonds and Obligations are secured by an irrevocable and first lien (but not necessarily an exclusive first lien) on the Net Revenues of the Airport System on a parity with the lien thereon in favor of each other.

(5) After having received the requisite bond owner consents and satisfying all applicable requirements, the City amended and restated the 1984 General Bond Ordinance in its entirety pursuant to the provisions of the General Bond Ordinance and the City has issued or incurred, as applicable, and will in the future issue or incur, as applicable, Senior Bonds and Obligations under the General Bond Ordinance, in addition to the currently outstanding Senior Bonds and Obligations.

(6) Pursuant to the General Bond Ordinance, the City may issue bonds or incur other additional obligations payable from the Net Revenues of the Airport System and having a lien thereon subordinate to the lien thereon of the Senior Bonds. The City adopted the 1997 Subordinate Bond Ordinance pursuant to which the City issued various Subordinate Bonds which have been paid or defeased prior to the date hereof and which are no longer outstanding.

Pursuant to the 1997 Subordinate Bond Ordinance, the City incurred certain Subordinate Hedge Facility Obligations which remain outstanding.

(7) The City amended and restated the 1997 Subordinate Bond Ordinance in its entirety pursuant to the provisions of the General Subordinate Bond Ordinance and the City has issued or incurred, as applicable, and will in the future issue or incur, as applicable, Subordinate Bonds and Subordinate Obligations under the General Subordinate Bond Ordinance.

(8) Pursuant to the General Bond Ordinance and the General Subordinate Bond Ordinance, the City has adopted the General Junior Lien Bond Ordinance and, pursuant to the General Junior Lien Bond Ordinance, the City has incurred the Hotel Junior Lien Obligation and the Great Hall Junior Lien Obligation. The Great Hall Junior Lien Obligation is no longer outstanding.

(9) The Council has also adopted in supplementation of the General Bond Ordinance that certain Ordinance No. 0776, Series of 2018, providing for certain passenger facility charges to be included in Gross Revenues commencing January 1, 2019.

(10) None of the Net Revenues of the Airport System have been pledged to any outstanding bonds or other obligations, except in respect of the Senior Bonds (and certain Obligations relating thereto), the Subordinate Bonds (and certain Subordinate Credit Facility Obligations relating thereto), certain Subordinate Contract Obligations, certain Subordinate Hedge Facility Obligations incurred under the 1997 Subordinate Bond Ordinance, and the Hotel Junior Lien Obligation incurred under the General Junior Lien Bond Ordinance.

(11) As contemplated by the Enterprise Ordinance, the Manager of the Department has executed the Series 2022 Manager's Resolution approving, authorizing and requesting the issuance from time to time by the City, for and on behalf of the Department, of the Series 2022 Bonds, as set forth herein, in one or more series, on a taxable or tax-exempt basis, for the purposes of (i) defraying the Costs of acquiring, improving, and equipping Airport Facilities, (ii) refunding the Series 2022 Refunded Bonds, (iii) making any required deposit in the Bond Reserve Fund, (iv) paying capitalized interest on all or a portion of the Series 2022 Bonds, (v) funding certain Hedge Facility Termination Payments, and (vi) paying certain Costs relating to the issuance of the Series 2022 Bonds.

(12) The Underwriters or the Initial Purchasers, as applicable, shall execute and submit one or more Bond Purchase Agreements for the purchase of the Series 2022 Bonds to the extent such Series 2022 Bonds shall be issued as provided in a Pricing Certificate executed pursuant to Section 303 hereof.

(13) The Council has determined and does hereby declare:

A. The procedures and requirements of Article V, Chapter 20 of the Revised Municipal Code of the City and County of Denver have been completely and timely met in respect of the negotiated sale of the Series 2022 Bonds to the Underwriters;

B. The Series 2022 Bonds are to be issued pursuant to the Series 2022 Manager's Resolution and the provisions of the General Bond Ordinance (as supplemented hereby), and the Series 2022 Bonds constitute "Bonds" as defined therein; and

C. All acts, conditions and things required by law and by the General Bond Ordinance to exist, have happened and have been performed as a condition to the issuance of the Series 2022 Bonds, do or will exist, and have been or will have been performed in regular and due time, form and manner as required by law, including without limitation the approval, following a public hearing, of a plan of financing pursuant to which the Tax-Exempt Series 2022 Bonds are to be issued, all in accordance with and to the extent required by Section 147(f) of the Tax Code.

(14) There have been filed with the City's Clerk and Recorder:

A. the proposed form of the Bond Purchase Agreement with Underwriters, City Clerk File No. 22-0066-E;

B. the proposed form of the Preliminary Official Statement relating to the Series 2022 Bonds, City Clerk File No. 22-0066-D;

C. the proposed form of the Continuing Disclosure Undertaking, included as an appendix to the Preliminary Official Statement, City Clerk File No. 22-0066-D;

D. the proposed form of the Escrow Agreement, City Clerk File No. 22-0066-A;

E. the proposed form of the Paying Agent and Bonds Registrar Agreement, City Clerk File No. 22-0066-B; and

F. the proposed form of the Remarketing Agreement, City Clerk File No. 22-0066-C.

BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

ARTICLE I
DEFINITIONS, RATIFICATION, EFFECTIVE DATE,
PUBLICATION AND AUTHENTICATION

Section 101 Supplemental Ordinance. This Supplemental Ordinance is supplemental to, and is adopted for and on behalf of the Department in accordance with the provisions of, the General Bond Ordinance.

Section 102 Meanings and Construction.

A. General Bond Ordinance Definitions. All defined terms in this Supplemental Ordinance have the meanings set forth in the General Bond Ordinance except as otherwise expressly provided herein.

B. Additional Definitions. For all purposes of this Supplemental Ordinance, except where the context by clear implication otherwise requires:

(1) "1997 Subordinate Bond Ordinance" means Ordinance No. 549, Series of 1997, cited as the "1997 Airport System Subordinate Bond Ordinance," as amended and supplemented.

(2) "Applicable Spread" has the meaning specified in Section 502F(2).

(3) "Authorized Denominations" means, with respect to the Series 2022 Bonds (other than any Series 2022 Bonds issued as Series 2022 Multimodal Bonds), $5,000 and any integral multiple thereof or as otherwise set forth in the initial Pricing Certificate for any series or subseries of Series 2022 Bonds, and with respect to the Series 2022 Multimodal Bonds: (i) during a Daily Rate Period, Weekly Rate Period or Commercial Paper Rate Period, $100,000 and any integral multiple of $5,000 in excess thereof; and (ii) during a Term Rate Period, an Index Rate Period or the Fixed Rate Period, $5,000 and any integral multiple thereof; provided, however, that if the City specifies the "Authorized Denominations" for any series or subseries of Series 2022 Multimodal Bonds in a Pricing Certificate delivered in connection with the initial issuance of such series or subseries of Series 2022 Bonds or a Conversion thereof, "Authorized Denominations" shall mean the denominations specified in such Pricing Certificate. Notwithstanding the foregoing, if as a result of a Conversion of a series or subseries of Series 2022 Multimodal Bonds from a Term Rate Period or an Index Rate Period to a Daily Rate Period, Weekly

Rate Period or Commercial Paper Rate Period, it is not possible to deliver all the Bonds of a series or subseries required or permitted to be Outstanding in a denomination permitted above, Series 2022 Multimodal Bonds may be delivered, to the extent necessary, in different denominations.

(4) "Authorized Representative" means the Mayor, Treasurer and Manager, or any other employee of the City at the time designated to act on behalf of the City in a certificate executed by any of the foregoing officers, which certificate shall contain such employee's specimen signature.

(5) "Bond Counsel" means a firm of nationally-recognized attorneys-at-law experienced in legal work relating to the issuance of municipal bonds selected by the City.

(6) "Bond Purchase Agreement" means any contract dated as of a date after the enactment hereof, between the City, for and on behalf of the Department, and the Underwriters for the purchase of one or more series or subseries of Series 2022 Bonds, in substantially the form or forms filed with the Clerk, with such revisions thereto as are permitted by this Supplemental Ordinance.

(7) "Business Day" means any day other than (i) a Saturday or Sunday, or (ii) a day of which the New York Stock Exchange is closed, or (iii) a day on which banking institutions in Denver, Colorado, New York, New York or in any other city in which the principal corporate trust office of the Series 2022 Paying Agent, the principal office of any Remarketing Agent or, if a Series 2022 Credit Facility is in effect, the principal office of any Series 2022 Credit Facility Provider is located, are required or authorized by law (including executive order) to close, or (iv) a day of which the principal corporate trust office of the Series 2022 Paying Agent, any Remarketing Agent or, if a Series 2022 Credit Facility is in effect, the principal office of the Series 2022 Credit Facility Provider, is closed for reasons not related to financial reasons.

(8) "Calendar Week" means the period of seven (7) days from and including Thursday of any week to and including Wednesday of the next following week, or as otherwise set forth in a Pricing Certificate.

(9) "Commercial Paper Rate" means the interest rate established from time to time pursuant to Section 502C.

(10) "Commercial Paper Rate Period" means each period during which Series 2022 Multimodal Bonds bear interest at a Commercial Paper Rate determined pursuant to Section 502C.

(11) "Commercial Paper Tender Bonds" shall have the meaning set forth in Section 609A.

(12) "Continuing Disclosure Undertaking" means one or more Continuing Disclosure Undertakings relating to the Series 2022 Bonds, in substantially the form filed with the Clerk, with such revisions thereto as are permitted by this Supplemental Ordinance.

(13) "Conversion" means any conversion of Series 2022 Multimodal Bonds from one Interest Rate Determination Method or Interest Rate Mode to another, which may be made from time to time in accordance with the terms of Section 503.

(14) "Conversion Date" means, with respect to a series or subseries of Series 2022 Multimodal Bonds, the date any new Index Rate Period or Term Rate Period and Term Rate, as applicable, becomes effective, or the date any Conversion becomes effective in accordance with Section 503 (or, with respect to notices, time periods and requirements in connection with the proceedings for such Conversion, the day on which it is proposed that such Conversion occur).

(15) "Conversion Notice" shall have the meaning set forth in Section 503.

(16) "Daily Put Bonds" shall have the meaning set forth in Section 609A.

(17) "Daily Rate" means the interest rate established from time to time pursuant to Section 502A.

(18) "Daily Rate Index" means, on any Business Day, the SIFMA Swap Index or an index or rate agreed upon by the City and the Remarketing Agents and set forth in a Pricing Certificate, but in no event in excess of the Maximum Interest Rate.

(19) "Daily Rate Period" means any period during which Series 2022 Multimodal Bonds bear interest at the Daily Rate.

(20) "Electronic Means" means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition."

(21) "Enterprise Ordinance" means Ordinance No. 755, Series of 1993.

(22) "Escrow Agreement" means one or more escrow agreements for the Refunded Bonds (as applicable) by and between the City, for and on behalf of its Department of Aviation, and the Series 2022 Escrow Bank, in substantially the form filed with the Clerk, with such revisions thereto as are permitted by this Supplemental Ordinance.

(23) "Expiration" (and other forms of "expire") means, when used with respect to a Series 2022 Credit Facility, the expiration of such Series 2022 Credit Facility in accordance with its terms.

(24) "Failed Tender Date" means, for any series or subseries of Series 2022 Multimodal Bonds bearing interest at a Term Rate or an Index Rate, the date on which insufficient funds are available for the purchase of all Series 2022 Multimodal Bonds of such series or subseries tendered or deemed tendered at the end of the Term Rate Period or Index Rate Period as described in Section 611C hereof.

(25) "Favorable Opinion of Bond Counsel" means, with respect to any action requiring such an opinion, an Opinion of Bond Counsel to the effect that such action will not, in and of itself, adversely affect the Tax-Exempt status of interest on the Bonds or such portion thereof as shall be affected thereby.

(26) "Fixed Rate" means the fixed rate borne by any Series 2022 Multimodal Bonds from the Fixed Rate Conversion Date for such series or subseries thereof, which rate shall be established in accordance with Section 502E.

(27) "Fixed Rate Computation Date" means any Business Day during the period from and including the date of receipt of a Conversion Notice relating to a Fixed Rate Conversion to and including the Business Day next preceding the proposed Conversion Date.

(28) "Fixed Rate Conversion Date" means the Conversion Date on which the interest rate on any Series 2022 Multimodal Bonds shall be converted to a Fixed Rate.

(29) "Fixed Rate Period" means the period from and including the Fixed Rate Conversion Date of any Series 2022 Multimodal Bonds converted to a Fixed Rate to and including their maturity date or earlier date of redemption.

(30) "General Bond Ordinance" means Ordinance No. 0777, Series of 2018, cited as the "2018 Amended and Restated Airport System General Bond Ordinance," as amended and supplemented from time to time by any Supplemental Ordinance.

(31) "General Junior Lien Bond Ordinance" means Ordinance No. 17-0972, Series of 2017, cited as the "Airport System General Junior Lien Bond Ordinance," as amended and supplemented from time to time.

(32) "General Subordinate Bond Ordinance" means the 1997 Subordinate Bond Ordinance as amended and restated in its entirety pursuant to the provisions of Ordinance No. 302, Series of 2013, as amended and supplemented from time to time.

(33) "Great Hall Junior Lien Obligation" means the Junior Lien Obligation (as defined in the General Junior Lien Bond Ordinance) incurred pursuant to the General Junior Lien Bond Ordinance and Ordinance No. 17-0973, Series of 2017.

(34) "Hotel Junior Lien Obligation" has the meaning set forth in the General Junior Lien Bond Ordinance.

(35) "Index Agent" means such agent as may be designated by the City to act as the Index Agent.

(36) "Index Bonds" means the Series 2022 Multimodal Bonds bearing interest at the Index Rate.

(37) "Index Rate" means the interest rate established from time to time pursuant to Section 502F, provided, however, that in no event may the Index Rate exceed the Maximum Interest Rate.

(38) "Index Rate Continuation Notice" has the meaning given to that term in Section 502F.

(39) "Index Rate Conversion Date" means: (i) the Conversion Date on which the interest rate on any Series 2022 Multimodal Bonds shall be converted to an Index Rate; or (ii) the date on which a new Index Rate Period is to be established.

(40) "Index Rate Determination Date" means, with respect to any series or subseries of Series 2022 Multimodal Bonds in an Index Rate Period where the Index Rate Index is the SIFMA Swap Index, each Wednesday or, if any such Wednesday is not a Business Day, then the next preceding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Index Agent; and if the SIFMA Swap Index is published on a different day, such day will be the Index Rate Determination Date. The Index Rate so calculated will apply to the Calendar Week from and including the immediately succeeding Thursday to and including the following Wednesday; provided that, if the City specifies alternative dates as "Index Rate Determination Dates" for any series or subseries of Series 2022 Multimodal Bonds in the Pricing Certificate delivered in connection with the Conversion of such Bonds, "Index Rate Determination Date" shall mean the dates specified in such Pricing Certificate.

(41) "Index Rate Index" means the SIFMA Swap Index or such other index as is determined by the City in consultation with the Remarketing Agent at the commencement of an Index Rate Period in accordance with Section 503B or Section 502F(4). Any time the Index Rate Index is specified in a Pricing Certificate, such notice may include any necessary information related to the Index Rate Index.

(42) "Index Rate Period" means any period during which Series 2022 Multimodal Bonds bear interest at the Index Rate.

(43) "Interest Payment Date" means (a) with respect to the Series 2022 Multimodal Bonds: (i) in the Daily Rate Period or the Weekly Rate Period, the first Business Day of each calendar month; (ii) in the Commercial Paper Rate Period, the day immediately succeeding the last day of each Commercial Paper Rate Period for such Series 2022 Multimodal Bond; (iii) each Conversion Date; (iv) in the Term Rate Period or the Fixed Rate Period, each Semi-Annual Interest Payment Date, or, if the City obtains a

Favorable Opinion of Bond Counsel, such other periodic dates as shall be selected by the City in accordance with Section 503D hereof; and (v) in the Index Rate Period, the first Business Day of each calendar month, or, if the City obtains a Favorable Opinion of Bond Counsel, such other periodic dates as shall be selected by the City in accordance with Section 503D hereof; (b) with respect to any series or subseries of Series 2022 Multimodal Bonds bearing interest at the Daily Rate or the Weekly Rate, the mandatory tender date, as applicable, on which a Series 2022 Credit Facility providing support for such series or subseries of Series 2022 Multimodal Bonds is substituted; (c) with respect to any series or subseries of Series 2022 Bonds (other than any Series 2022 Bonds issued as Series 2022 Multimodal Bonds), each Semi-Annual Interest Payment Date; and (d) in all events, the final maturity date or any redemption date of each Series 2022 Bond and any other date set forth in the initial Pricing Certificate executed in connection with the initial issuance of any series or subseries of Series 2022 Bonds or in connection with the Conversion of such Bonds.

(44) "Interest Rate Determination Method" means any of the methods of determining the interest rate on the Series 2022 Multimodal Bonds from time to time as described in Section 502.

(45) "Interest Rate Mode" means, with respect to any Series 2022 Multimodal Bonds of a series or subseries, the type of interest rate paid on Bonds of such series or subseries, consisting of any of a Daily Rate, Weekly Rate, Commercial Paper Rate, Term Rate, Index Rate or Fixed Rate, as the case may be.

(46) "Issue Date" means, with respect to any series or subseries of Series 2022 Bonds, the date on which such series or subseries of Series 2022 Bonds are first delivered to the purchasers thereof.

(47) "Mandatory Tender Bonds" has the meaning specified in Section 609C.

(48) "Maximum Interest Rate" means: (a) with respect to Series 2022 Multimodal Bonds other than Series 2022 Credit Facility Bonds, (i) for a period during which a Series 2022 Credit Facility is in effect for the benefit of such Bonds, the rate of interest specified in such Series 2022 Credit Facility that is used to determine the amount available under such Series 2022 Credit Facility for payment of interest due and payable

to owners of the Series 2022 Multimodal Bonds, but in no event greater than twelve percent (12%) per annum, and (ii) at all other times, twelve percent (12%) per annum; and (b) with respect to Series 2022 Credit Facility Bonds, the lesser of (i) fifteen percent (15%) per annum or (ii) the maximum rate of interest with respect to such Series 2022 Credit Facility Bonds permitted by applicable law.

(49) "Official Statement" means one or more final Official Statements relating to one or more series or subseries of Series 2022 Bonds, in substantially the form of the Preliminary Official Statement for such series or subseries, with such amendments, supplements, omissions, insertions, endorsements and variations as may be required by the circumstances and as are not inconsistent with the provisions of this Supplemental Ordinance, and as are approved by the Treasurer, after consultation with: the City Attorney; Frasca & Associates, L.L.C., Financial Consultant; Hogan Lovells US LLP, Bond Counsel; and Ballard Spahr LLP, Disclosure Counsel.

(50) "Opinion of Bond Counsel" means a written opinion of Bond Counsel.

(51) "Optional Purchase Date" means each date on which the Series 2022 Multimodal Bonds would be subject to optional redemption and therefore are subject to purchase at the option of the City pursuant to Article VII.

(52) "Optional Purchase Price" means, with respect to the purchase of Series 2022 Multimodal Bonds to be purchased pursuant to Article VII on any Optional Purchase Date, the principal amount of the Series 2022 Multimodal Bonds to be purchased on such Optional Purchase Date, plus accrued interest to such Optional Purchase Date, plus an amount equal to the premium, if any, that would be payable upon the redemption, at the option of the City exercised on such Optional Purchase Date, of the Series 2022 Multimodal Bonds to be purchased.

(53) "Participants" means the participating underwriters, securities brokers or dealers, banks, trust companies, closing corporations or other persons or entities for which the Securities Depository holds Series 2022 Bonds as set forth in this Supplemental Ordinance.

(54) "Paying Agent and Bonds Registrar Agreement" means, with respect to the Series 2022 Bonds, one or more agreements executed by the City, for and on behalf of

the Department, and the Series 2022 Paying Agent in substantially the form filed with the Clerk, with such revisions thereto as are permitted by this Supplemental Ordinance, and any subsequent Paying Agent and Bonds Registrar Agreement executed by the Series 2022 Paying Agent and the City, for and on behalf of the Department, as provided herein.

(55) "Preliminary Official Statement" means one or more Preliminary Official Statements relating to one or more series of Series 2022 Bonds, in substantially the form filed with the Clerk, with such amendments, supplements, omissions, insertions, endorsements and variations as may be required by the circumstances and as are not inconsistent with the provisions of this Supplemental Ordinance, and as are approved by the Treasurer, after consultation with: the City Attorney; Frasca & Associates, L.L.C., Financial Consultant; Hogan Lovells US LLP, Bond Counsel; and Ballard Spahr LLP, Disclosure Counsel.

(56) "Pricing Certificate" shall mean, with respect to a series or subseries of Series 2022 Bonds, as applicable, (i) the written initial notice of the Treasurer evidencing the determinations made pursuant to Article III of this Supplemental Ordinance delivered in connection with the initial issuance of such series or subseries of Series 2022 Bonds, (ii) the written notice of an Authorized Representative to the Series 2022 Paying Agent and the Remarketing Agent delivered in connection with a Conversion of a series or subseries of Series 2022 Multimodal Bonds to a Term Rate Period at least two Business Days prior to the applicable Term Rate Conversion Date or that is delivered in connection with a continuation of a Term Rate Period at least two Business Days prior to the effective date of the new Term Rate Period, or (iii) the written notice of an Authorized Representative to the Series 2022 Paying Agent and the Remarketing Agent delivered in connection with a Conversion of a series or subseries of Series 2022 Multimodal Bonds to an Index Rate Period at least five Business Days prior to the applicable Index Rate Conversion Date or that is delivered in connection with a continuation of an Index Rate Period at least five Business Days prior to the effective date of the new Index Rate Period. Notwithstanding any provision herein requiring that certain information be included in a Pricing Certificate, such information is not required to be included if the Authorized Representative and the Remarketing Agent intend for such information to be governed by the provisions of this Supplemental Ordinance and the initial Pricing Certificate referred

to in (i) of this definition that provide for such information in the event it is not included in the Pricing Certificate.

(57) "Purchase Date" means any date on which any Series 2022 Multimodal Bond is purchased pursuant to Section 604 or Section 605.

(58) "Purchase Price" means, with respect to any Series 2022 Multimodal Bond tendered or deemed tendered pursuant to Section 604 or Section 605, an amount equal to 100% of the principal amount of any Series 2022 Multimodal Bond tendered or deemed tendered to the Series 2022 Paying Agent for purchase pursuant to Section 604 or Section 605. In addition, if the Purchase Date is not an Interest Payment Date, the Purchase Price for each Series 2022 Multimodal Bond tendered or deemed tendered shall be increased to include accrued interest thereon to but not including the Purchase Date; provided, however, if such Purchase Date occurs before an Interest Payment Date, but after the Record Date applicable to such Interest Payment Date, then the Purchase Price shall not include accrued interest, which shall be paid to the owner of record as of the applicable Record Date.

(59) "Rate" means, with respect to any Series 2022 Bond, the interest rate applicable to such Series 2022 Bond as provided in this Supplemental Ordinance.

(60) "Rate Index" means the Daily Rate Index, the Weekly Rate Index, or both, as the context may require.

(61) "Rate Period" means any Daily Rate Period, Weekly Rate Period, Commercial Paper Rate Period, Term Rate Period, Index Rate Period or Fixed Rate Period.

(62) "Rating Confirmation" means written evidence from each rating agency then rating any series or subseries of Series 2022 Multimodal Bonds to the effect that, following the event which requires the Rating Confirmation, the then current rating for the series or subseries of Series 2022 Multimodal Bonds will not be lowered or withdrawn solely as a result of the occurrence of such event.

(63) "Record Date" means with respect to any Series 2022 Bonds (except any Series 2022 Bonds issued as Series 2022 Multimodal Bonds), the first (1st) day (whether

or not a Business day) of the month in which such Interest Payment Date occurs, and, with respect to the Series 2022 Multimodal Bonds, means (a) for any Interest Payment Date in respect of any Daily Rate Period, Weekly Rate Period, Commercial Paper Rate Period or Index Rate Period, the Business Day next preceding such Interest Payment Date; and (b) for any Interest Payment Date in respect of any Term Rate Period or Fixed Rate Period, the first (1st) day (whether or not a Business Day) of the month in which such Interest Payment Date occurs.

(64) "Redemption Price" means with respect to any Series 2022 Bond or a portion thereof, 100% of the principal amount thereof to be redeemed, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Supplemental Ordinance (provided that if the Series 2022 Multimodal Bond is bearing interest at an Index Rate, the Redemption Price for such Bond shall be determined pursuant to Section 601E).

(65) "Refunded Bonds" means the Series A Interim Note and all or a portion of the Series 2012A Bonds, the Series 2012B Bonds, the Series 2013A Bonds, the Series 2013B Bonds, and the Series 2019D Bonds as designated by the Treasurer in accordance with Section 303 hereof and set forth in a Pricing Certificate and, if applicable, an Escrow Agreement.

(66) "Remarketing Agent" means the one or more banks, trust companies or members of the National Association of Securities Dealers, Inc. meeting the qualifications set forth in Section 615 and appointed by an Authorized Representative to serve as a Remarketing Agent for any Series 2022 Multimodal Bonds.

(67) "Remarketing Agreement" means one or more agreements dated as of a date after the enactment hereof entered into between the City, for and on behalf of its Department of Aviation, and the Remarketing Agent with respect to the remarketing of a series or subseries of Series 2022 Multimodal Bonds, and any subsequent remarketing agreement executed by the City and the Remarketing Agent in substantially the form filed with the Clerk; provided that such agreement may be completed, corrected or revised without further approval of the Council as deemed necessary by the parties thereto to carry out the purposes of this Supplemental Ordinance.

(68) "Securities Depository" means The Depository Trust Company, hereby designated as the depository for the Series 2022 Bonds, and includes any nominee or successor thereof.

(69) "Semi-Annual Interest Payment Date" means May 15 or November 15 or as otherwise set forth in a Pricing Certificate.

(70) "Senior Bonds" means the following series of Bonds denominated either "City and County of Denver, Colorado, Airport System Revenue Bonds" (for Senior Bonds issued in 1992) or "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds" (for Senior Bonds issued after 1992), together with the related series designation: (i) Series 2002C, as authorized by the General Bond Ordinance and Ordinance No. 800, Series of 2002; (ii) the Series 2007G (Subseries G1 and G2), as authorized by the General Bond Ordinance and Ordinance No. 626, Series of 2007, as amended and restated by Ordinance No. 722, Series of 2007; (iii) Series 2008B, as authorized by the General Bond Ordinance and Ordinance No. 322, Series of 2008; (iv) Series 2009B, as authorized by the General Bond Ordinance and Ordinance No. 578, Series of 2009; (v) Series 2009C, as authorized by the General Bond Ordinance and Ordinance No. 577, Series of 2009; (vi) Series 2012A, as authorized by the General Bond Ordinance and Ordinance No. 490, Series of 2012; (vii) Series 2012B, as authorized by the General Bond Ordinance and Ordinance No. 490, Series of 2012; (viii) Series 2012C, as authorized by the General Bond Ordinance and Ordinance No. 491, Series of 2012; (ix) Series 2016A, as authorized by the General Bond Ordinance and Ordinance No. 16-0979, Series of 2016; (x) Series 2017A, as authorized by the General Bond Ordinance and Ordinance No. 17-1223; (xi) Series 2017B, as authorized by the General Bond Ordinance and Ordinance No. 17-1223; (xii) Series 2019C-D, as authorized by the General Bond Ordinance and Ordinance No. 0542, Series of 2019; (xiii) Series 2020A1, Series 2020A2, Series 2020B1, Series 2020B2 and Series 2020C, as authorized by the General Bond Ordinance and Ordinance No. 0889, Series of 2020; (xiv) Series 2021A-B, as authorized by the General Bond Ordinance and Ordinance No. 0633, Series of 2021, and (xv) any future Senior Bonds (including the Series 2022 Bonds) issued by the City, for and on behalf of the Department.

(71) "Series 2012A Bonds" means the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2012A.

(72) "Series 2012B Bonds" means the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2012B.

(73) "Series 2013A Bonds" means the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2013A.

(74) "Series 2013B Bonds" means the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2013B.

(75) "Series 2019D Bonds" means the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2019D.

(76) "Series 2022 Bonds" means those bonds issued hereunder and designated as the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2022[●]" with such series designations (including possible designation to reflect year of issuance other than 2022 in the case of forward delivery bonds) as shall be set forth in the related Pricing Certificate. The Series 2022 Bonds or any series or subseries thereof may be issued as fixed rate bonds and/or in a Term Rate as Series 2022 Multimodal Bonds.

(77) "Series 2022 Bond Purchase Fund" means a Series 2022 Bond Purchase Fund to be established with the Series 2022 Paying Agent by the applicable Remarketing Agreement, another agreement entered into connection therewith, or the applicable Pricing Certificate.

(78) "Series 2022 Bonds Registrar" means, with respect to the Series 2022 Bonds, Zions Bancorporation, National Association, and includes any successor thereof.

(79) "Series 2022 Capitalized Interest Subaccount" has the meaning ascribed to it in Section 401D of this Supplemental Ordinance.

(80) "Series 2022 City Account" means a Series 2022 City Account created within the Series 2022 Bond Purchase Fund to be established with the Series 2022 Paying Agent by the applicable Remarketing Agreement, another agreement entered into connection therewith, or the applicable Pricing Certificate.

(81) "Series 2022 Credit Facility" means a Credit Facility providing liquidity support to any of the Series 2022 Bonds, and any substitute Series 2022 Credit Facility provided pursuant to Section 614 of this Supplemental Ordinance, as applicable.

(82) "Series 2022 Credit Facility Bonds" means Bonds consisting of any Series 2022 Multimodal Bonds purchased with funds provided under a Series 2022 Credit Facility as provided in Section 611 for so long as such Series 2022 Multimodal Bonds are held by or for the account of, or are pledged to, the applicable Series 2022 Credit Facility Provider in accordance with Section 613 hereof.

(83) "Series 2022 Credit Facility Provider" means the entity, if any, providing liquidity for the Purchase Price of Series 2022 Multimodal Bonds pursuant to a Series 2022 Credit Facility or any successor thereto.

(84) "Series 2022 Credit Facility Purchase Account" means a Series 2022 Credit Facility Purchase Account within the Series 2022 Bond Purchase Fund to be established with the Series 2022 Paying Agent by the applicable Remarketing Agreement, another agreement entered into connection therewith, or the applicable Pricing Certificate.

(85) "Series 2022 Escrow Bank" means Zions Bancorporation, National Association, and any successor thereof.

(86) "Series 2022 Hedge Facility Termination Project" means the project to fund one or more Hedge Termination Payments.

(87) "Series 2022 Improvement Project" means the project to acquire, improve, and equip certain Airport Facilities with a portion of the proceeds of any series or subseries of the Series 2022 Bonds. The Series 2022 Improvement Project constitutes an Improvement Project within the meaning of the General Bond Ordinance.

(88) "Series 2022 Manager's Resolution" means one or more resolutions of the Manager approving, authorizing and requesting the issuance by the City from time to time, for and on behalf of the Department, of the Series 2022 Bonds in one or more series or subseries as set forth herein.

(89) "Series 2022 Multimodal Bonds" means any series or subseries of Series 2022 Bonds initially issued in the Term Rate as provided in the related Pricing Certificate.

(90) "Series 2022 Paying Agent" means, with respect to the Series 2022 Bonds, Zions Bancorporation, National Association, and includes any successor thereof.

(91) "Series 2022 Project" means the use of proceeds of any series or subseries of the Series 2022 Bonds to (i) fund all or a portion of the Series 2022 Refunding Project; (ii) fund all or a portion of the Series 2022 Improvement Project; (iii) pay capitalized interest on a series or subseries of the Series 2022 Bonds; (iv) fund all or a portion of the Series 2022 Hedge Facility Termination Project; (v) make any required deposit or deposits in the Bond Reserve Fund; and (vi) pay certain Costs relating to the issuance of a series or subseries of the Series 2022 Bonds.

(92) "Series 2022 Project Account" has the meaning ascribed to it in Section 401C of this Supplemental Ordinance.

(93) "Series 2022 Refunded Bonds" means the portion of the Refunded Bonds being refunded as part of the Series 2022 Refunding Project with respect to any series or subseries of the Series 2022 Bonds, as set forth in the applicable Pricing Certificate and an Escrow Agreement, if applicable.

(94) "Series 2022 Refunded Bonds Escrow Account" has the meaning ascribed to it in Section 401A of this Supplemental Ordinance.

(95) "Series 2022 Refunding Project" means the project to refund all or a portion of the Series 2022 Refunded Bonds with the proceeds of any series or subseries of the Series 2022 Bonds, together with other available moneys, if any, by paying the principal of, premium (if any) and interest on the applicable Series 2022 Refunded Bonds upon redemption, as provided in an Escrow Agreement, if applicable. The Series 2022

Refunding Project shall constitute a Refunding Project within the meaning of the General Bond Ordinance.

(96) "Series 2022 Hedge Facility Termination Account" has the meaning ascribed to it in Section 403C of this Supplemental Ordinance.

(97) "Series 2022 Rebate Fund" has the meaning ascribed to it in Section 801B of this Supplemental Ordinance.

(98) "Series 2022 Remarketing Account" means a Series 2022 Remarketing Account within the Series 2022 Bond Purchase Fund to be established with the Series 2022 Paying Agent by the applicable Remarketing Agreement, another agreement entered into connection therewith, or the applicable Pricing Certificate.

(99) "Series A Interim Note" means City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Interim Note Subordinate Obligation, Tax-Exempt Series A.

(100) "Series of Index Bonds" means a series or subseries of Series 2022 Multimodal Bonds during an Index Rate Period with respect to such Bonds.

(101) "SIFMA Swap Index" means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry & Financial Markets Association (formerly the Bond Market Association) ("SIFMA") or any person acting in cooperation with or under the sponsorship of SIFMA and effective from such date.

(102) "Sinking Fund Installment" means each amount so designated for a series or subseries of Series 2022 Bonds in the initial Pricing Certificate for such series or subseries requiring payments by the City to be applied to the retirement of such Series 2022 Bonds on and prior to the stated maturity date thereof, except to the extent modified in a subsequent Pricing Certificate.

(103) "Stepped Rate" shall mean the rate or rates of interest applicable with respect to any series or subseries of Series 2022 Multimodal Bonds should insufficient funds be available to purchase such Bonds in connection with a mandatory tender at the

end of an Index Rate Period or a Term Rate Period during which such series or subseries of Series 2022 Multimodal Bonds is not supported by a Series 2022 Credit Facility, as specified by the City in the Pricing Certificate delivered in connection with the initial issuance of the Series 2022 Multimodal Bonds or the Conversion of such series or subseries to a Term Rate Period or an Index Rate Period or with the continuation of a Term Rate Period or Index Rate Period with respect to such series or subseries of Series 2022 Multimodal Bonds. If no Stepped Rate was specified in the Pricing Certificate relating to the expiring Term Rate Period or Index Rate Period for such series or subseries of Series 2022 Multimodal Bonds, the Stepped Rate shall be: (a) for the period from and including the Failed Tender Date to but excluding the ninetieth (90th) day thereafter a per annum interest rate equal to the Stepped Rate Index plus 2.50%; (b) for the period from and including the ninetieth (90th) day after the Failed Tender Date to but excluding the one hundred eightieth (180th) day after the Failed Tender Date, a per annum interest rate equal to the greater of (i) the Stepped Rate Index plus 5.00% or (ii) 7.50%; and (c) thereafter, the Maximum Interest Rate; provided that the Stepped Rate shall never be less than the rate of interest applicable to such series or subseries of Series 2022 Multimodal Bonds on the Business Day prior to the Failed Tender Date. Notwithstanding anything to the contrary, the Stepped Rate shall never exceed twelve percent (12%) per annum.

(104) "Stepped Rate Determination Date" means the dates specified as Stepped Rate Determination Dates in the initial Pricing Certificate or as may be specified in the Pricing Certificate relating to the establishment of a new Term Rate Period or Index Rate Period for any series or subseries of Series 2022 Multimodal Bonds. If no Stepped Rate Determination Dates were specified in the Pricing Certificate, the Stepped Rate Determination Dates shall be the applicable Failed Tender Date and each Wednesday thereafter or, if any such Wednesday is not a Business Day, then the next preceding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Index Agent, and if the SIFMA Swap Index is published on a different day, such day will be the Stepped Rate Determination Date. The Stepped Rate Index so calculated will apply to the Calendar Week from and including the immediately succeeding Thursday to and including the following Wednesday or, for the initial period, from the Failed Tender Date to and including the Wednesday following the Failed Tender Date, unless the Failed Tender Date is a Wednesday in which event

such rate will be based on the SIFMA Swap Index determined on the prior Wednesday and will only apply on the Failed Tender Date. The Stepped Rate or Rates calculated on any Stepped Rate Determination Date shall apply to Series 2022 Multimodal Bonds as set forth in Section 505 of this Supplemental Ordinance.

(105) "Stepped Rate Index" shall mean an index specified by the City in the Pricing Certificate delivered in connection with the Conversion of a series or subseries of Series 2022 Multimodal Bonds to a Term Rate Period or an Index Rate Period or with the continuation of a Term Rate Period or Index Rate Period with respect to such series or subseries of Series 2022 Multimodal Bonds thereof pursuant to the terms of this Supplemental Ordinance. If no Stepped Rate Index was specified in the Pricing Certificate relating to the expiring Term Rate Period or Index Rate Period for such series or subseries of Series 2022 Multimodal Bonds, and upon initial issuance with respect to the initial Term Rate Period for the series or subseries of Series 2022 Multimodal Bonds, the Stepped Rate Index shall be the SIFMA Swap Index.

(106) "Subordinate Bonds" mean the following series of bonds: (i) the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2013A and Airport System Subordinate Revenue Bonds, Series 2013B" as authorized by the General Subordinate Bond Ordinance and Ordinance No. 301, Series of 2013; (ii) the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2015A" as authorized by the General Subordinate Bond Ordinance and Ordinance No. 15-756, Series of 2015; (iii) the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2018A and Airport System Subordinate Revenue Bonds, Series 2018B" as authorized by the General Subordinate Bond Ordinance and Ordinance No. 775, Series of 2018; (iv) the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2019A and Airport System Subordinate Revenue Bonds, Series 2019B" as authorized by the General Subordinate Bond Ordinance and Ordinance No. 0543, Series of 2019; (v) the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2021C" as authorized by the General

Subordinate Bond Ordinance and Ordinance No. 1387, Series of 2021; and (vi) any future Subordinate Bonds issued by the City, for and on behalf of the Department.

(107) "Subordinate Credit Facility Obligations" has the meaning set forth in the General Subordinate Bond Ordinance.

(108) "Subordinate Hedge Facility Obligations" has the meaning set forth in the General Subordinate Bond Ordinance.

(109) "Subordinate Obligations" has the meaning set forth in the General Subordinate Bond Ordinance.

(110) "Supplemental Ordinance" means this Supplemental Ordinance, as amended and supplemented from time to time.

(111) "Taxable Securities" means bonds, notes or other securities the interest on which is not Tax-Exempt.

(112) "Taxable Series 2022 Bonds" means Series 2022 Bonds the interest on which is intended on the date of issuance of the Series 2022 Bonds to not be Tax-Exempt.

(113) "Tax-Exempt" means, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the owners thereof (other than, in the case of any "exempt facility bond" within the meaning of Section 142 of the Tax Code, any owner who is a "substantial user" of facilities financed with such obligations or a "related person" within the meaning of Section 147(a) of the Tax Code) for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Tax Code.

(114) "Tax-Exempt Securities" means bonds, notes or other securities the interest on which is Tax-Exempt.

(115) "Tax-Exempt Series 2022 Bonds" means Series 2022 Bonds the interest on which is intended on the date of issuance of the Series 2022 Bonds to be Tax-Exempt.

(116) "Term Rate" means a rate of interest on a series or subseries of Series 2022 Multimodal Bonds specified herein for the initial Term Rate Period applicable to any Series 2022 Bonds or subseries thereof issued as Series 2022 Multimodal Bonds and thereafter a rate of interest established in accordance with Section 502D.

(117) "Term Rate Computation Date" means any Business Day during the period from and including the date of receipt of a Conversion Notice relating to a Conversion to a Term Rate for any Series 2022 Multimodal Bonds to and including the Business Day next preceding the proposed Term Rate Conversion Date.

(118) "Term Rate Continuation Notice" shall have the meaning given such term in Section 502D.

(119) "Term Rate Conversion Date" means: (i) the Conversion Date on which the interest rate on any Series 2022 Multimodal Bonds shall be converted to a Term Rate; or (ii) the date on which a new Term Rate Period and Term Rate are to be established.

(120) "Term Rate Period" means any period during which any Series 2022 Multimodal Bonds bear interest at a Term Rate.

(121) "Termination" (and other forms of "terminate") means, when used with respect to any Series 2022 Credit Facility, the replacement, removal, surrender or other termination of such Series 2022 Credit Facility other than an Expiration or an extension or renewal thereof; provided, however, that Termination does not include immediate suspension or termination events.

(122) "Underwriters" means any underwriter that the Treasurer is authorized to select pursuant to Section 303 hereof.

(123) "Variable Rate" means any of the Daily Rate, the Weekly Rate, the Commercial Paper Rate, the Term Rate, or the Index Rate.

(124) "Weekly Put Bonds" shall have the meaning set forth in Section 609B.

(125) "Weekly Rate" means the variable interest rate on any Series 2022 Multimodal Bond established in accordance with Section 502B.

(126) "Weekly Rate Index" means, on any Business Day, the SIFMA Swap Index or an index or rate agreed upon by the City and the Remarketing Agents, but in no event in excess of the Maximum Interest Rate.

(127) "Weekly Rate Period" means each period during which any Series 2022 Multimodal Bonds bear interest at Weekly Rates.

Section 103 Ratification. All action heretofore taken (not inconsistent with the provisions of this Supplemental Ordinance) by the Council, the Manager, the Treasurer, and the other officers of the City relating to:

A. Series 2022 Improvement Project. The Series 2022 Improvement Project;

B. Series 2022 Refunding Project. The Series 2022 Refunding Project;

C. Series 2022 Hedge Termination Project. The Series 2022 Hedge Termination Project; and

D. Series 2022 Bonds. The sale and issuance of the Series 2022 Bonds.

be, and the same hereby are, authorized, ratified, approved, and confirmed, including, without limitation, the distribution of one or more Preliminary Official Statements (if so executed and delivered prior to the date of enactment of this Supplemental Ordinance), the execution and delivery of one or more Official Statements (if so executed and delivered prior to the date of enactment of this Supplemental Ordinance) and the execution of one or more Bond Purchase Agreements by the Treasurer (if so executed prior to the publication of the bill for this Supplemental Ordinance and this Supplemental Ordinance and if in conformity with the Pricing Certificate).

Section 104 Ordinance an Irrepealable Contract. This Supplemental Ordinance and the General Bond Ordinance shall constitute an irrevocable contract between the City, for and on behalf of the Department, and the owners of the Series 2022 Bonds, except as otherwise provided herein and in the General Bond Ordinance.

Section 105 Repealer. All ordinances, resolutions, bylaws, orders, and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency; but nothing herein shall be construed to repeal any provision of the

General Bond Ordinance, it being intended that any inconsistent provision therein shall remain applicable to any other Bonds or Obligations hereafter issued thereunder. This repealer shall not be construed to revive any ordinance, resolution, bylaw, order, or other instrument, or part thereof, heretofore repealed.

Section 106 Severability. If any section, subsection, paragraph, clause, or other provision of this Supplemental Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or other provision shall not affect any of the remaining provisions of this Supplemental Ordinance.

Section 107 Effective Date. This Supplemental Ordinance shall take effect immediately upon its final passage and publication.

Section 108 Publications. The bill for this Supplemental Ordinance and this Supplemental Ordinance are hereby authorized and directed to be published as required by the Charter.

Section 109 Recordation and Authentication. This Supplemental Ordinance shall be recorded after its passage in the office of the Clerk, and authenticated by the signature of the Mayor and attested and countersigned by the Clerk.

Section 110 Delegated Powers. The Mayor, Auditor, Clerk, Treasurer and Manager and other officers and employees of the City are hereby authorized and directed to take all action necessary or appropriate to effect the provisions of this Supplemental Ordinance, including without limitation:

A. Preliminary Official Statement. The distribution of one or more Preliminary Official Statements relating to one or more series or subseries of Series 2022 Bonds, with such amendments, supplements, omissions, insertions, endorsements and variations as may be required by the circumstances and as are not inconsistent with the provisions of this Supplemental Ordinance;

B. Official Statement. The execution and delivery of one or more Official Statements (each dated as the Manager and Treasurer may determine) relating to one or more series or subseries of Series 2022 Bonds, with such amendments, supplements, omissions, insertions, endorsements and variations as may be required by the circumstances and as are not inconsistent with the provisions of this Supplemental Ordinance;

C. Basic Agreements. The execution and delivery of one or more Bond Purchase Agreements, Escrow Agreements, Continuing Disclosure Agreements, and Paying Agent and Bonds Registrar Agreements, with such amendments, supplements, omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may by the circumstances be required;

D. Blue Sky Documents. The execution of such instruments and the taking of such other action in cooperation with the Underwriters as they may reasonably request in order to qualify the Series 2022 Bonds for offer and sale under the securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, but said actions shall not constitute consent to process in any other jurisdiction;

E. Certificates and Agreements. The execution and delivery of such certificates and opinions as are required by the applicable Bond Purchase Agreement and as may otherwise be reasonably required by the City's bond counsel and the Underwriters, and the execution and delivery of such agreements as are necessary or desirable; and

F. Series 2022 Bonds. The preparation, execution and delivery of the Series 2022 Bonds and the payment of the Costs of issuing the Series 2022 Bonds.

ARTICLE II
COUNCIL'S DETERMINATIONS, NECESSITY OF SERIES 2022 PROJECT AND SERIES 2022 BONDS, TERMS OF BOND SALE AND OBLIGATIONS OF CITY

Section 201 Authority for this Ordinance. This Supplemental Ordinance is executed pursuant to the City's powers as a home-rule city organized and operating under the Charter and Article XX of the State Constitution and pursuant to the Supplemental Public Securities Act, title 11, article 57, part 2, Colorado Revised Statutes, as amended (the provisions of which are hereby elected, to the extent not inconsistent herewith), and the General Bond Ordinance; and the City hereby determines that each and every matter and thing as to which provision is made herein is necessary in order to carry out and to effect the purposes hereof.

Section 202 Necessity and Approval of Series 2022 Project and Series 2022 Bonds. The Council hereby determines and declares that the Series 2022 Project and the Series 2022 Bonds are necessary and in the best interests of the City and its residents.

Section 203 Terms of Bond Sale. The Series 2022 Bonds shall be sold and delivered to the Underwriters all in accordance with the applicable Bond Purchase Agreement, bearing interest and otherwise upon the terms and conditions therein and herein provided.

Section 204 Tender for Delivery. The Underwriters are required to accept delivery of the Series 2022 Bonds and to make payment as provided in the applicable Bond Purchase Agreement. The validity and enforceability of the Series 2022 Bonds shall be approved by Hogan Lovells US LLP, Denver, Colorado, as Bond Counsel.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, AND ISSUANCE OF SERIES 2022 BONDS

Section 301 Authorization of Series 2022 Bonds; Bond Details; Payment.

There are hereby authorized to be issued by the City, for and on behalf of the Department, for the purpose of defraying the Cost of all or a portion of the Series 2022 Project, the “City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds,” from time to time, in one or more series, on a taxable or a tax-exempt basis, with such series designations as shall be set forth in the related Pricing Certificate, in the maximum aggregate principal amount of $3,980,000,000. Any series or subseries of Series 2022 Bonds are authorized to be issued bearing interest at a fixed interest rate or bearing interest at a Term Rate for an initial Term Rate Period in accordance with Article V.

(1) If a series or subseries of Series 2022 Bonds are issued at a fixed rate, such Series 2022 Bonds shall bear interest at a fixed rate from their Issue Date to maturity (computed on the basis of a 360-day year and 12 months of 30 days each) at their nominal rates per annum, payable on each Interest Payment Date commencing November 15, 2022 or such other date as set forth in the initial Pricing Certificate with respect to such

series. Such Series 2022 Bonds shall bear interest at a coupon rate or rates not exceeding 6% and shall mature as Term Bonds or Serial Bonds, or both, in regular numerical order not later than November 15, 2055. Such Series 2022 Bonds shall be subject to redemption at the option of the City pursuant to Section 601 and mandatory redemption pursuant to Section 602 as set forth in the initial Pricing Certificate with respect to such series or subseries in each case.

(2) If a series or subseries of Series 2022 Bonds are issued bearing interest at a Term Rate for an initial Term Rate Period in accordance with Article V, such Series 2022 Bonds shall be considered Series 2022 Multimodal Bonds for the purposes hereof and shall be payable on each Interest Payment Date commencing on the date specified in the initial Pricing Certificate with respect to such series or subseries. Such Series 2022 Bonds shall initially bear interest at an initial Term Rate not exceeding 6.00% (which rate is subject to adjustment as provided herein but in no case shall such rate exceed the Maximum Interest Rate), and to mature not later than November 15, 2055. The initial Term Rate Period with respect to such Series 2022 Bonds shall expire on the day preceding the initial Purchase Date with respect to such Series 2022 Bonds as set forth in the initial Pricing Certificate with respect to such series or subseries. During the initial Term Rate Period for such Series 2022 Bonds and prior to the first successful remarketing of such Series 2022 Bonds following issuance, such Series 2022 Bonds shall be subject to redemption at the option of the City pursuant to Section 601 and mandatory redemption pursuant to Section 602 as set forth in the initial Pricing Certificate with respect to such series or subseries in each case.

The Series 2022 Bonds shall be payable as to all Bond Requirements solely out of the Net Revenues of the Airport System and certain funds and accounts to the extent provided in the General Bond Ordinance and this Supplemental Ordinance. Such Bond Requirements of the Series 2022 Bonds (including Series 2022 Credit Facility Bonds) shall be paid out of moneys paid to the Series 2022 Paying Agent by the City from the Net Revenues of the Airport System and certain funds and accounts to the extent provided in the General Bond Ordinance and this Supplemental Ordinance. The Series 2022 Paying Agent is hereby empowered to create any and all accounts necessary to perform its duties hereunder. The Net Revenues and such funds and accounts are thereby and hereby pledged to the payment of the Bond Requirements of the Series 2022 Bonds, as therein and herein provided, and to the payment of the Credit Facility Obligations of the Series 2022 Credit Facility Bonds, as provided herein.

Interest on the Series 2022 Bonds shall be payable on each Interest Payment Date until the principal sum of the Series 2022 Bonds has been paid; provided, however, that if at the maturity date of the Series 2022 Bonds (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof, in full accordance with terms of the General Bond Ordinance, the Series 2022 Bonds shall then cease to bear interest.

The Series 2022 Bonds shall pay interest to the owner thereof from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid thereon or duly provided for, or (iii) if the date of authentication of such Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication.

Notwithstanding anything in the General Bond Ordinance or this Supplemental Ordinance to the contrary, any Series 2022 Bonds that are Series 2022 Credit Facility Bonds shall mature and shall be subject to prepayment as provided in the applicable Series 2022 Credit Facility, if any.

Section 302 Form, Denomination, Numbers and Letters. The Series 2022 Bonds shall be issued as fully registered bonds in Authorized Denominations initially bearing interest at a fixed interest rate or, with respect to Series 2022 Bonds issued as Series 2022 Multimodal Bonds, at a Term Rate in accordance with Article V, shall be dated as of the Issue Date and shall be numbered as the Series 2022 Bonds Registrar may determine. A series or subseries of Series 2022 Bonds issued initially bearing interest at a Term Rate shall be substantially in the form attached hereto as Exhibit A, as such form shall be completed based on the terms set forth in the initial Pricing Certificate with respect to such series, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provision as may be required by the circumstances, be required or permitted by the General Bond Ordinance, or be consistent with the General Bond Ordinance. A series or subseries of Series 2022 Bonds issued bearing interest at a fixed interest rate shall be substantially in the form attached hereto as Exhibit B, as such form shall be completed based on the terms set forth in the initial Pricing Certificate for such series or subseries, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provision as may be required by the circumstances, be required or permitted by the General Bond Ordinance, or be consistent with the General Bond Ordinance.

Section 303 Delegation. Until December 31, 2022, the Treasurer is hereby authorized, without further approval of the Council, to determine in conformity with the standards set forth in this Supplemental Ordinance the matters set forth below:

(1) The determination of whether any series or subseries of Series 2022 Bonds are to be issued at a fixed rate and/or as Series 2022 Multimodal Bonds bearing interest at a Term Rate.

(2) The number of series or subseries of the Series 2022 Bonds, if any, to be issued and the delivery date of each such series or subseries of the Series 2022 Bonds (which delivery date, in the case of forward delivery bonds, may be in 2022 or 2023), and after each series or subseries of Series 2022 Bonds has been priced in the market (provided that such pricing may occur one or more times on one or more days): (i) the respective aggregate principal amounts of the Series 2022 Bonds of such series or subseries; (ii) the respective interest rate or rates on the Series 2022 Bonds of such series or subseries, (iii) the respective maturity or maturities of the Series 2022 Bonds of such series or subseries (any of which may include Series 2022 Bonds bearing different interest rates) and the amount and date of any mandatory sinking fund redemptions of such series or subseries; (iv) the provisions (or omission of provisions) for the redemption of any or all of the Series 2022 Bonds of such series or subseries prior to maturity, including any optional or mandatory redemption or make-whole premium to be paid in connection with any such redemption; (v) the tax status of such series or subseries of Series 2022 Bonds, including whether to be issued as Taxable Series 2022 Bonds or as Tax-Exempt Series 2022 Bonds and, in the case of Tax-Exempt Series 2022 Bonds, whether to be issued as qualified private activity bonds or as governmental purpose bonds; and (vi) the respective purchase price of the Series 2022 Bonds; all as may be necessary to effect all or a portion of the Series 2022 Project; provided that the aggregate principal amount of the Series 2022 Bonds shall not exceed $3,980,000,000, the net present value savings from the issuance of any series or subseries of Series 2022 Bonds and the refunding of Refunded Bonds thereby (other than the refunding of the Series A Interim Note and the refunding of the Series 2019D Bonds) is not less than three percent (3%), the true interest cost of any series or subseries of Series 2022 Bonds shall not

initially exceed 6.00% (which as applied to Series 2022 Bonds issued as Series 2022 Multimodal Bonds, shall apply to the initial rate applicable thereto upon the commencement of the applicable initial Term Rate Period), the Underwriters' discount (if any) relating to any series or subseries of the Series 2022 Bonds sold to the Underwriters pursuant to a Bond Purchase Agreement shall not exceed 1% of the principal amount thereof, and the final maturity of any series or subseries of Series 2022 Bonds shall not exceed thirty-four (34) years from the dated date of such series or subseries of Series 2022 Bonds.

(3) The initial Term Rate Period, the initial Purchase Date, the initial Interest Payment Date, the Stepped Rates, the Stepped Rate Determination Dates, the Stepped Rate Index (if any), and any other pricing information permitted to be included in a Pricing Certificate may be included in the Pricing Certificate pursuant to the terms hereof with respect to a series or subseries of Series 2022 Bonds issued as Series 2022 Multimodal Bonds.

(4) The Treasurer is further authorized to determine whether any Hedge Facilities associated with any Bonds shall be terminated and any associated Hedge Facility Termination Payments be funded with a portion of the proceeds of a series or subseries of Series 2022 Bonds; provided that such determinations shall be consistent with the standards set in this Supplemental Ordinance and shall be in the best financial interest of the City, and if so determined, to execute any additional documents and agreements required in connection therewith.

(5) The Treasurer is further authorized to select underwriters from time to time from the City's prior-selected pool of underwriters for all or a portion of the Series 2022 Bonds, and to execute any documents and agreements required in connection therewith, including one or more Bond Purchase Agreements substantially in the forms filed with the Clerk, with such revisions thereto as are permitted by this Supplemental Ordinance.

(6) The Treasurer is further authorized, without further approval of the Council, to execute the applicable Bond Purchase Agreements for the purchase of the Series 2022 Bonds and to make any and all determinations listed in Section 11-57-205(1), Colorado Revised Statutes, provided that such Bond Purchase Agreements and such determinations are not inconsistent with the standards set forth in this Supplemental Ordinance.

(7) The Treasurer is further authorized to determine the series or subseries designation of each series or subseries of the Series 2022 Bonds, to direct the final amounts to be deposited to each accounts created herein or pursuant to the terms hereof in respect of each series or subseries of the Series 2022 Bonds, and, in accordance with Section 404 hereof, to create additional accounts or subaccounts, in addition to those created under Article IV, to additionally account for the use of the proceeds of each series or subseries of the Series 2022 Bonds or as otherwise may be necessary in connection with the issuance of each series or subseries of the Series 2022 Bonds.

(8) If the Treasurer determines that there is an economic benefit to the City to secure and pay for one or more Credit Facilities with respect to all or a portion of any series or subseries of the Series 2022 Bonds, the Treasurer is authorized to secure one or more such Credit Facilities and to execute and deliver any agreements, instruments or certificates for and on behalf of the City as may be necessary with such terms, covenants, provisions and agreements, including, without limitation, granting to any provider of such Credit Facilities the power to exercise certain rights and privileges of the holders of the Series 2022 Bonds secured by such Credit Facilities as may be approved by the Treasurer.

The determinations contemplated in this Section 303 shall be evidenced by an initial Pricing Certificate with respect to each series or subseries of Series 2022 Bonds filed with the Clerk, and except as otherwise expressly provided herein or in the General Bond Ordinance, the terms of a series or subseries of Series 2022 Bonds shall be as set forth in the initial Pricing Certificate with respect to such series or subseries.

In addition, each Authorized Representative is hereby authorized, without further approval of the Council, to make any determinations on behalf of the City that are required in connection with any Pricing Certificate that may be delivered hereunder subsequent to the delivery of any initial Pricing Certificate and any other determinations required to be made in connection with any Conversion, continuation, remarketing, redemption or purchase of a series or subseries of Series 2022 Bonds issued as Series 2022 Multimodal Bonds and any other matters relating to the Series 2022 Bonds hereunder. Any such determinations shall be in conformity with the standards set forth in this Supplemental Ordinance.

Section 304 Execution, Recordation and Authentication.

A. Execution and Recordation. The Series 2022 Bonds shall be signed by the Mayor and countersigned by the Auditor, both of which signatures may be by facsimile, and the Series 2022 Bonds shall bear the official seal of the City or a facsimile thereof attested by the manual or facsimile signature of the Clerk. A record thereof shall be made by the Auditor, in such record to show the date of issue, date of payment, and date and amount of interest payments as the same shall accrue. The Series 2022 Bonds shall have been approved by the Manager and shall be authenticated by the Series 2022 Bonds Registrar as provided in Section 316 of the General Bond Ordinance.

B. Authentication. By authenticating the Series 2022 Bonds, the Series 2022 Bonds Registrar shall be deemed to have assented to the provisions of the General Bond Ordinance, as supplemented by this Supplemental Ordinance. If the Series 2022 Bonds Registrar, or its duly appointed successor pursuant to this section, shall resign, or if the City shall reasonably determine that such Series 2022 Bonds Registrar has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each owner of Series 2022 Bonds at the address last shown on the registration books, appoint a successor Bonds Registrar. Every such successor shall be a commercial bank.

Section 305 Custodial Deposit. Notwithstanding the provisions of Article III of the General Bond Ordinance or of Article III hereof, the Series 2022 Bonds shall initially be evidenced by a single Series 2022 Bond for each maturity in the principal amount of such maturity; shall initially be registered in the name of the Securities Depository, or any nominee thereof; and may not thereafter be transferred or exchanged except (i) to any successor of the Securities Depository, or any nominee of such successor, upon the merger, consolidation, sale of substantially all of the assets or other reorganization of the Securities Depository or its successor, which successor of the Securities Depository must be a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended; (ii) to any new depository or nominee thereof (a) upon the resignation of the Securities Depository or a successor or new depository under clause (i) of this paragraph or this clause (ii), or (b) upon a determination of the City that the Securities Depository or such successor or new depository is no longer able to carry out its functions and the designation by the City of another depository institution acceptable to the depository then holding the Series 2022 Bonds which new depository institution must be a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of the Securities Depository or such successor or new depository; or (iii) to any owner as specified in the transfer instructions in the paragraph below (a) upon the resignation of the Securities Depository or upon a determination by the City that the Securities Depository is no longer able to carry out its functions, and (b) upon the failure by the City, after reasonable investigation, to locate another qualified depository institution under clause (ii) to carry out the functions of the Securities Depository.

In the case of a transfer to a successor of the Securities Depository or its nominee as referred to in clause (i) of the first paragraph hereof or in the case of a designation of a new depository pursuant to clause (ii) of the first paragraph hereof, upon receipt of the Outstanding Series 2022 Bonds by the Series 2022 Bonds Registrar, together with written instructions for transfer satisfactory to the Series 2022 Bonds Registrar, new Series 2022 Bonds shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (ii) of the first paragraph hereof and the failure after reasonable investigation to locate another qualified depository institution for the Series 2022 Bonds as provided in clause (ii) of the first paragraph hereof, and upon receipt of the Outstanding Series 2022 Bonds by the Series 2022 Bonds Registrar together with written instructions for transfer satisfactory to the Series 2022 Bonds Registrar, new Series 2022 Bonds shall be issued in Authorized Denominations, as provided in and subject to the limitations of Section 303 hereof and in such denominations as are requested in such written transfer instructions; provided the Series 2022 Bonds Registrar shall not be required to deliver such new Series 2022 Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

The City, the Series 2022 Bonds Registrar and the Series 2022 Paying Agent shall be entitled to treat the registered owner of any Series 2022 Bond as the absolute owner and owner of record for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them. So long as the registered owner of any Series 2022 Bond is the Securities Depository or a nominee thereof, the Securities Depository shall disburse any payments received, through Participants or otherwise, to the beneficial owners. Neither the City nor the Series 2022 Paying Agent shall have any responsibility or obligation for the payment to any Participant, any beneficial owner or any other person (except a registered owner of Series 2022 Bonds) of the Debt Service Requirements or Redemption Price due in connection with the Series 2022 Bonds. The City, the Series 2022 Bonds Registrar and the Series 2022 Paying

Agent shall have no responsibility for maintaining, supervising or reviewing the records kept by the Securities Depository.

Notwithstanding any other provision of the General Bond Ordinance or this Supplemental Ordinance to the contrary, so long as any Series 2022 Bond (other than any Series 2022 Credit Facility Bonds, with respect to which the provisions, if any, of the Series 2022 Credit Facility shall control) is registered in the name of the Securities Depository, or any nominee thereof, all payments with respect to the Redemption Price due in connection with any Series 2022 Bonds and all notices with respect to such Series 2022 Bonds shall be made and given, respectively, in the manner provided in the letter of representation to the Securities Depository.

For so long as the Series 2022 Bonds are held in book-entry only form, and the owners thereof may elect, or may be required, to tender such Series 2022 Bonds for purchase pursuant to the provisions of this Supplemental Ordinance, the beneficial owner of any such Series 2022 Bond, or Participant, whether a direct participant or an indirect participant within the meaning of the applicable procedures of the Securities Depository, may submit on behalf of such beneficial owner any notice of tender in connection with any such optional tender right pertaining to any Series 2022 Bond in which such beneficial owner has a beneficial ownership interest, and such notice shall be given the same force and effect as a notice given by the registered owner of such Series 2022 Bond, if such notice is accompanied by (i) a written certification by such beneficial owner affirming its beneficial ownership interest in such Series 2022 Bond, setting forth the principal amount thereof, and identifying the Participant that has a record of such beneficial owner's beneficial ownership interest therein, or (ii) a written certification by a Participant affirming it is acting on behalf of the beneficial owner of such Series 2022 Bond (or, if a direct participant, affirming it is acting on behalf of an indirect participant acting on behalf of such beneficial owner), affirming such beneficial owner has such beneficial ownership interest in such Series 2022 Bond, setting forth the principal amount thereof (and, if applicable, identifying the indirect participant that has a record of such beneficial owner's beneficial ownership interest).

With respect to any Series 2022 Bonds held in book-entry only form, delivery of such Series 2022 Bonds to the Series 2022 Paying Agent in connection with any optional or mandatory tender pursuant to the provisions of this Supplemental Ordinance shall be effected by the transfer of a beneficial owner's beneficial ownership interest to the account of the Series 2022 Paying Agent, or a Participant acting on behalf of the Series 2022 Paying Agent, on the books of the Securities Depository or any Participant in accordance with the procedures of the Securities Depository.

Section 306 Payment of Bond Requirements. Principal of and interest on the Series 2022 Bonds shall be payable by wire transfer to the Securities Depository in lawful money of the United States of America. Principal of the Series 2022 Bonds shall be payable when due upon presentation and surrender thereof at the principal office of the Series 2022 Paying Agent.

ARTICLE IV
USE OF BOND PROCEEDS

Section 401 Disposition of Series 2022 Bond Proceeds. Except as may be otherwise set forth in an applicable Pricing Certificate, and subject to Section 404 hereof, the net proceeds of a series or subseries of Series 2022 Bonds, upon the receipt thereof, shall be deposited in the following accounts and applied for purposes thereof:

A. Series 2022 Refunded Bonds Escrow Account. First, to a special account created with the Series 2022 Escrow Bank and designated as the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series [●] Refunded Bonds Escrow Account" with the appropriate series designation (each, a "Series 2022 Refunded Bonds Escrow Account"), the amount which, after taking into account other amounts expected to be deposited therein, the Treasurer determines to be necessary to effect the refunding of the Series 2022 Refunded Bonds to be refunded by such series or subseries. Amounts in a Series 2022 Refunded Bonds Escrow Account may be allocated to any subaccounts as the Treasurer may determine.

B. Bond Reserve Fund. Second, to the Bond Reserve Fund an amount, if any, determined by the Treasurer as necessary to fund the Minimum Bond Reserve upon the issuance of such series or subseries of Series 2022 Bonds.

C. Series 2022 Project Account. Third, to the Project Fund for credit to a special and separate subaccount created therein and designated as the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series [●] Project Account" with the appropriate series designation (each, a "Series 2022 Project Account"), such amount as the Treasurer determines to be necessary for the payment of Costs of the portion of the Series 2022 Improvement Project to be funded by such series or subseries, and Costs relating to the issuance of such series or subseries of Series 2022 Bonds (including the costs of any Credit Facilities secured in respect of such series or subseries of Series 2022 Bonds).

D. Series 2022 Capitalized Interest Subaccount. Fourth, to a special and separate subaccount hereby created in the Capitalized Interest Account of the Project Fund designated as the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series [●] Capitalized Interest Subaccount" with the appropriate series designation (each, a "Series 2022 Capitalized Interest Subaccount"), an amount, and for such period, as the Treasurer determines to be necessary to pay capitalized interest on a portion of such series or subseries of Series 2022 Bonds. Amounts in the Series 2022 Capitalized Interest Subaccount shall be transferred to the Interest Account at the times and in the amounts provided in a payment schedule created by the Treasurer and expended therefrom for interest due and payable on the applicable Series 2022 Bonds; provided that nothing herein shall prevent the transfer of amounts from the Series 2022 Capitalized Interest Subaccount to the Series 2022 Project Account to the extent the Treasurer may determine such amounts are necessary to defray other Costs of the Series 2022 Improvement Project.

E. Series 2022 Hedge Facility Termination Account. Fifth, to the special account hereby created with the Series 2022 Paying Agent and designated as the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series [●] Hedge Facility Termination Account" with the appropriate series designation (each, a "Series 2022 Hedge Facility Termination Account"), the amount which, after taking into account other amounts expected to be deposited therein, the Treasurer determines to be necessary to fund any Hedge Facility Termination Payments and the related costs to be funded by such series or subseries in connection with the termination of any Hedge Facilities as authorized hereby.

Section 402 Other Accounts. Notwithstanding anything contained herein to the contrary, consistent with Section 303 hereof, the Treasurer is hereby authorized to create and establish other accounts or subaccounts as is necessary to account for the disposition and use of the Series 2022 Bond proceeds, including, without limitation, the creation of one or more accounts with the Series 2022 Paying Agent and the disposition and use of such proceeds in accordance with the terms of the Paying Agent and Bonds Registrar Agreement. The Treasurer is further authorized to direct the disposition of the Series 2022 Bond proceeds in a manner contrary to Sections 401, 402, and 403 hereof, so long as such direction is not otherwise inconsistent with the provisions of this Supplemental Ordinance, including (without limitation) the authorized use of the Series 2022 Bond proceeds as provided herein. Such direction with respect to the disposition of the Series 2022 Bonds shall be set forth in the initial Pricing Certificate with respect to any series or subseries of Series 2022 Bonds executed pursuant to Section 303 hereof.

Section 403 Other Transfers. The Treasurer is hereby authorized to transfer to the accounts created hereby and/or the accounts created in accordance with the terms hereof such other amounts, if any, legally available in the Bond Fund, Bond Reserve Fund, and/or Capital Fund as the Treasurer determines to be necessary or desirable to effect all or a portion of the Series 2022 Project.

Section 404 Exercise of Option. The Treasurer is hereby authorized to cause the City, for and on behalf of its Department of Aviation, to irrevocably exercises its option to redeem or otherwise discharge and cancel each series of Refunded Bonds on the respective dates set forth in the initial Pricing Certificate with respect to any series or subseries of Series 2022 Bonds, for purchase prices equal to the principal amount thereof, accrued interest thereon, and applicable redemption premium, if any, the exercise of such option to be effective when moneys sufficient to provide for the redemption or discharge and cancel (as applicable) with respect to each such series of Refunded Bonds are credited to the applicable account created for such purpose.

Section 405 Manner and Forms of Notice. Notices of prior redemption and defeasance, if applicable, of the Refunded Bonds or any other notices required in connection with the payment and discharge of the Refunded Bonds, shall be given in the manner and otherwise as provided herein, in any applicable Escrow Agreement, and the ordinances authorizing the issuance of the Refunded Bonds or agreements related to such Refunded Bonds. Any notices required in connection with terminating any Hedge Facilities associated with the Refunded Bonds are further authorized to be given in the manner provided in the agreements associated with any such Hedge Facilities.

ARTICLE V
INTEREST RATES ON SERIES 2022 MULTIMODAL BONDS

Section 501 Interest Rates. Except for Series 2022 Credit Facility Bonds, which shall bear interest at the rate or rates (but not in excess of the Maximum Interest Rate), and be payable at the times, specified in the applicable Series 2022 Credit Facility, the Series 2022 Multimodal Bonds shall bear interest at a Variable Rate determined as provided in this Supplemental Ordinance until converted to a Fixed Rate.

The Series 2022 Multimodal Bonds of any series or subseries shall bear interest as provided herein from and including the Issue Date to but excluding the date of payment in full of such Series 2022 Multimodal Bonds (such interest to be computed on the basis of a 365/366-day year and actual days elapsed during any Daily Rate Period, Weekly Rate Period, Index Rate Period or Commercial Paper Rate Period, and computed on the basis of a 360-day year of twelve (12) 30-day months during any Term Rate Period of more than 180 days, except as otherwise set forth in the applicable Pricing Certificate). Interest shall accrue on the Series 2022 Multimodal Bonds from one Interest Payment Date to, but not including, the next Interest Payment Date.

Upon Conversion to a Fixed Rate, the Series 2022 Multimodal Bonds shall bear interest from and including the date of Conversion to the date of payment in full of such Series 2022 Multimodal Bonds (computed on the basis of a 360-day year of twelve (12) 30-day months during any Fixed Rate Period).

The interest rates on each Series 2022 Multimodal Bond shall be determined as provided in Section 502; provided, that no Rate as so determined shall exceed the Maximum Interest Rate in effect on the date of determination thereof.

Upon issuance, the Series 2022 Bonds issued as Series 2022 Multimodal Bonds shall bear interest at the initial Term Rate set forth in the initial Pricing Certificate. Each Series 2022 Multimodal Bond within a series of Series 2022 Multimodal Bonds shall have the same Interest Rate Determination Method. Following the end of the initial Term Rate Period pursuant to Section 502D in connection with any successful Conversion of a series of the Series 2022 Multimodal Bonds to a new Interest Rate Determination Method pursuant to Section 503 or continuation of the Term Rate pursuant to Section 502D(2), and, notwithstanding anything to the contrary in the General Bond Ordinance or this Supplemental Ordinance, including without limitation in this Article V, each series of Series 2022 Multimodal Bonds shall have the same Interest Rate Determination Method, provided that different subseries within the same series of Series 2022 Multimodal Bonds may have different Interest Rate Determination Methods established in connection with such Conversion or continuation of the Term Rate, and Bonds of such subseries of a series of Series 2022 Multimodal Bonds (except Series 2022 Multimodal Bonds which are Series 2022 Credit Facility Bonds, Series 2022 Multimodal Bonds during a Commercial Paper Rate Period, and Series 2022 Multimodal Bonds of different maturities bearing interest at a Fixed Rate) shall bear interest at the same interest rate. In connection with any such Conversion or continuation of the Term Rate if a subseries of a series of Series 2022 Multimodal Bonds shall have a different Interest Rate Determination Method, bear interest at a different rate, or have a Rate Period that ends on a different date than other subseries of such series of Series 2022 Multimodal Bonds, the City shall cause CUSIP numbers to be assigned to such subseries that differ from the CUSIP numbers assigned to the other subseries of such series of Series 2022 Multimodal Bonds (and, in any case, the City may cause different CUSIP numbers to be assigned to various subseries of a series of Series 2022 Multimodal Bonds for any other reason).

Section 502 Interest Rate Determination Method.

A. Daily Rate. Upon a successful Conversion of any series or subseries of the Series 2022 Multimodal Bonds to bear interest at the Daily Rate pursuant to Section 503 and until such Series 2022 Multimodal Bonds are successfully converted to another Interest Rate Determination Method pursuant to said Section 503 (subject, however, to the provisions of Section 503L), such Series 2022 Multimodal Bonds shall bear interest at a Daily Rate. During each Daily Rate Period for a series or subseries of Series 2022 Multimodal Bonds, the Remarketing Agent for such series or subseries shall set a Daily Rate for such Series 2022 Multimodal Bonds by 9:30 a.m., New York City time, on each Business Day, which Daily Rate shall be the rate of interest which, if borne by such Series 2022 Multimodal Bonds in the Daily Rate Period, would, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for Tax-Exempt Securities or Taxable Securities, as applicable, which are of the same general nature as such Series 2022 Multimodal Bonds, or Tax-Exempt Securities or Taxable Securities, as applicable, which are competitive as to credit and maturity (or period for tender) with the credit and maturity (or period for tender) of such Series 2022

Multimodal Bonds for which the Daily Rate is to be determined, be the lowest interest rate which would enable such Remarketing Agent to place such Series 2022 Multimodal Bonds at a price of par (plus accrued interest, if any) on such Business Day. The Daily Rate for any non-Business Day will be the rate for the last Business Day on which a Daily Rate was set.

B. Weekly Rate. Upon a successful Conversion of a series or subseries of Series 2022 Multimodal Bonds to bear interest at the Weekly Rate pursuant to Section 503, and until such series or subseries of Series 2022 Multimodal Bonds are successfully converted to another Interest Rate Determination Method pursuant to said Section 503 (subject, however, to the provisions of Section 503L), such Series 2022 Multimodal Bonds shall bear interest at a Weekly Rate. During each Weekly Rate Period for a series or subseries of Series 2022 Multimodal Bonds, the Remarketing Agent shall set a Weekly Rate for such Series 2022 Multimodal Bonds, by 1:00 p.m., New York City time, on each Wednesday (or the immediately succeeding Business Day, if such Wednesday is not a Business Day) for the next Calendar Week; provided, that, the Weekly Rate for the first Calendar Week (or portion thereof) following a Conversion Date resulting in a change in the Interest Rate Determination Method to a Weekly Rate shall be set by such Remarketing Agent on the Business Day immediately preceding such Conversion Date. Each Weekly Rate shall be the rate of interest which, if borne by such Series 2022 Multimodal Bonds in the Weekly Rate Period, would, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for Tax-Exempt Securities or Taxable Securities, as applicable, which are of the same general nature as such Series 2022 Multimodal Bonds for which the Weekly Rate is to be determined, or Tax-Exempt Securities or Taxable Securities, as applicable, which are competitive as to credit and maturity (or period for tender) with the credit and maturity (or period for tender) of the Series 2022 Multimodal Bonds for which the Weekly Rate is to be determined, be the lowest interest rate that would enable the Remarketing Agent to place such Series 2022 Multimodal Bonds at a price of par (plus accrued interest, if any) on the first day of such Weekly Rate Period.

C. Commercial Paper Rate. Upon a successful Conversion of any Series 2022 Multimodal Bonds to bear interest at the Commercial Paper Rate pursuant to Section 503, and until such Series 2022 Multimodal Bonds are successfully converted to another

Interest Rate Determination Method pursuant to said Section 503 (subject, however, to the provisions of Section 503L), such Series 2022 Multimodal Bonds shall bear interest at the Commercial Paper Rate or Rates applicable to such Series 2022 Multimodal Bonds. The Remarketing Agent shall select the Commercial Paper Rate Period or Periods for each of such Series 2022 Multimodal Bonds on a Business Day selected by the Remarketing Agent not more than five (5) Business Days prior to the first day of such Commercial Paper Rate Period and not later than 12:30 p.m., New York City time, on the first day of such Commercial Paper Rate Period. Each Commercial Paper Rate Period shall be a period of not less than one (1) nor more than two hundred seventy (270) days determined by the Remarketing Agent with the intention of yielding the lowest overall interest expense on the applicable Series 2022 Multimodal Bonds, taking into account (A) all other Commercial Paper Rate Periods for all the Series 2022 Multimodal Bonds of the same series or subseries bearing interest at a Commercial Paper Rate, (B) general economic and market conditions relevant to such Series 2022 Multimodal Bonds and (C) such other facts, circumstances and conditions as such Remarketing Agent determines to be relevant. Notwithstanding the foregoing, no Commercial Paper Rate Period for any Series 2022 Multimodal Bond shall be selected with an expiration date later than the fifth (5th) Business Day prior to the expiration date of any Series 2022 Credit Facility, as the same is then in effect, with respect to such Series 2022 Multimodal Bonds. The last day of each Commercial Paper Rate Period shall be a day immediately preceding a Business Day. If the Interest Rate Determination Method with respect to any Series 2022 Multimodal Bonds is being converted from a Commercial Paper Rate to a new Interest Rate Determination Method, after receipt of the Conversion Notice delivered pursuant to Section 503, the Remarketing Agent shall determine the Commercial Paper Rate Periods with respect to such Series 2022 Multimodal Bonds in such manner that, as soon as possible, all Commercial Paper Rate Periods with respect to series or subseries of Series 2022 Multimodal Bonds shall end on the same date, which date shall be the last day of the then-current Commercial Paper Rate Periods and, upon the establishment of such Commercial Paper Rate Periods, the day next succeeding the last day of all such Commercial Paper Rate Periods shall be the Conversion Date for the new Interest Rate Determination Method. The Remarketing Agent, promptly upon the determination of the last day of such Commercial Paper Rate Periods prior to Conversion to a new Interest Rate Determination Method, shall give written notice of such last day and such

Conversion Date to the City, the Series 2022 Paying Agent and the applicable Series 2022 Credit Facility Provider.

The Remarketing Agent shall set a Commercial Paper Rate for each Series 2022 Multimodal Bond bearing interest at the Commercial Paper Rate not later than 12:30 p.m., New York City time, on the first day of each Commercial Paper Rate Period for such series or subseries of Series 2022 Multimodal Bonds. The Commercial Paper Rate applicable to each Series 2022 Multimodal Bond bearing interest at the Commercial Paper Rate will be the rate determined by the Remarketing Agent to be the lowest interest rate which would be necessary for such Remarketing Agent to place such Series 2022 Multimodal Bond on the first day of the applicable Commercial Paper Rate Period at a price of par.

No Commercial Paper Rate or Commercial Paper Rate Period for any Series 2022 Multimodal Bonds bearing interest at a Commercial Paper Rate shall be established that would require an interest payment that exceeds the amount available under the applicable Series 2022 Credit Facility to pay the interest component of the Purchase Price of such Series 2022 Multimodal Bonds.

D. Term Rate.

(1) Generally. During the initial Term Rate Periods commencing for the Series 2022 Bonds or subseries thereof issued as Series 2022 Multimodal Bonds on the Issue Date thereof, and upon a successful Conversion of any Series 2022 Multimodal Bonds to bear interest at the Term Rate from another Interest Rate Determination Method pursuant to Section 503 or the establishment of a new Term Rate Period and a new Term Rate for any Series 2022 Multimodal Bonds then bearing interest at a Term Rate, and until such Series 2022 Multimodal Bonds are successfully converted to another Interest Rate Determination Method pursuant to Section 503 or Section 503G(6), such Series 2022 Multimodal Bonds shall bear interest at a Term Rate. Following the initial Term Rate Period commencing for the Series 2022 Bonds or subseries thereof issued as Series 2022 Multimodal Bonds on the Issue Date thereof, any subsequent Term Rate Period shall commence on the Term Rate Conversion Date and end on a day that precedes a Business Day selected by the City that is a minimum of 180 days after the Term

Rate Conversion Date, but in no event later than the maturity date of the applicable Series 2022 Multimodal Bonds. Upon such selection, such Business Day will be an Interest Payment Date for the Series 2022 Multimodal Bonds. The duration of the Term Rate Period and the Stepped Rate, if any, to be applicable to the Series 2022 Multimodal Bonds should insufficient funds be available for their purchase at the end of such Term Rate Period, shall be as specified in the Pricing Certificate given with respect to the Conversion of any Series 2022 Multimodal Bonds to such Term Rate Period pursuant to Section 502D(4) or with respect to any new Term Rate and Term Rate Period for Series 2022 Multimodal Bonds then bearing interest at a Term Rate pursuant to Section 502D(2). With respect to each Term Rate Period except the initial Term Rate Period established upon issuance of the Series 2022 Bonds or subseries thereof issued as Series 2022 Multimodal Bonds, the Remarketing Agent will set the Term Rate for the Series 2022 Multimodal Bonds by 5:00 p.m., New York City time, on the applicable Term Rate Computation Date. Each Term Rate, except the initial Term Rate established upon issuance of the Series 2022 Bonds or subseries thereof issued as Series 2022 Multimodal Bonds, shall be the rate of interest that, if borne by such Series 2022 Multimodal Bonds in such Term Rate Period, would, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for Tax-Exempt Securities or Taxable Securities, as applicable, that are of the same general nature as the series or subseries of Series 2022 Multimodal Bonds, or Tax-Exempt Securities or Taxable Securities, as applicable, that are competitive as to credit and maturity (or period for tender) with the credit and maturity (or period for tender) of the series or subseries of Series 2022 Multimodal Bonds, be the lowest interest rate that would enable such Remarketing Agent to place such Series 2022 Multimodal Bonds at a price of par on the first day of such Term Rate Period.

(2) Term Rate Continuation. On any date a series or subseries of Series 2022 Multimodal Bonds in a Term Rate Period is subject to optional redemption, or as of the day following the last day of a Term Rate Period for any series or subseries of Series 2022 Multimodal Bonds, unless the City has given a Conversion Notice with respect to the Conversion of such Series 2022 Multimodal Bonds to another Interest Rate Determination Method pursuant to Section 503, the City may establish a new Term Rate Period and Term Rate for such Series 2022

Multimodal Bonds with such right to be exercised by delivery of a written notice of an Authorized Representative (a "Term Rate Continuation Notice") to the Series 2022 Paying Agent, the Remarketing Agent and the applicable Series 2022 Credit Facility Provider, if any, for such Series 2022 Multimodal Bonds no less than thirty-five (35) days prior to the effective date of the new Term Rate Period. The Authorized Representative shall also deliver a Pricing Certificate to the Series 2022 Paying Agent no later than two Business Days prior to the effective date of the new Term Rate Period. The Term Rate Continuation Notice and the Pricing Certificate required by this paragraph shall each be accompanied by the proposed form of an Opinion of Bond Counsel proposed to be delivered in connection with the continuation of such series or subseries of Series 2022 Multimodal Bonds in the Term Rate Period stating that the new Term Rate Period is authorized and permitted under the General Bond Ordinance and this Supplemental Ordinance and will not, in and of itself, adversely affect the Tax-Exempt status of the interest on any of such series of Series 2022 Multimodal Bonds.

(3) Limitations. Any establishment of a new Term Rate and Term Rate Period for any series or subseries of Series 2022 Multimodal Bonds pursuant to Section 502D(2) above must comply with the following:

(i) the first day of such new Term Rate Period must be (a) a date on which such Series 2022 Multimodal Bonds are subject to optional redemption pursuant to Section 601, or (b) a date on which such Series 2022 Multimodal Bonds are subject to mandatory tender pursuant to the applicable provisions of Section 605 or Section 701;

(ii) the first day of such new Term Rate Period must be a Business Day; and

(iii) no new Term Rate shall become effective unless the Opinion of Bond Counsel referred to in Section 502D(2) is delivered on (and as of) the first day of the new Term Rate Period and all such Outstanding Series 2022 Multimodal Bonds are successfully remarketed in the new Term Rate Period at the new Term Rate on the first day of the new Term Rate Period.

(4) Contents of Term Rate Continuation Notice. The City's Term Rate Continuation Notice must specify: (i) the proposed Term Rate Period; (ii) whether the Series 2022 Credit Facility then in effect, if any, will remain in effect; (iii) if a new Series 2022 Credit Facility will be in effect after the effective date of the new Term Rate Period and Term Rate; and (iv) the expected ratings, if any, on such Series 2022 Multimodal Bonds following the establishment of a new Term Rate Period and Term Rate.

(5) Notice to Owners. Upon receipt of a Term Rate Continuation Notice from an Authorized Representative, as soon as possible, but in any event not less than thirty (30) days prior to the first day of the proposed Term Rate Period, the Series 2022 Paying Agent shall give notice by first-class mail to the owners of the affected series of Series 2022 Multimodal Bonds, which notice shall state in substance:

(i) that a new Term Rate Period and Term Rate is to be established for such series or subseries of Series 2022 Multimodal Bonds on the applicable Term Rate Conversion Date if the conditions specified in this Supplemental Ordinance (and generally described in such notice) are satisfied on or before such date;

(ii) the first day of the new Term Rate Period;

(iii) that the City has delivered to the Series 2022 Paying Agent the form of an Opinion of Bond Counsel proposed to be delivered to the Series 2022 Paying Agent in connection with the continuation of the series or subseries of Series 2022 Multimodal Bonds in the Term Rate;

(iv) that a new Term Rate Period and Term Rate for such series or subseries of Series 2022 Multimodal Bonds shall not be established unless the Opinion of Bond Counsel referred to above is delivered to the Series 2022 Paying Agent on (and as of) the first day of the new Term Rate Period and all such series or subseries of Series 2022 Multimodal Bonds are successfully remarketed in the new Term Rate Period and at the new Term Rate on the first day thereof;

(v) the CUSIP numbers or other identification information of such series or subseries of Series 2022 Multimodal Bonds, if any;

(vi) that all affected series or subseries of Series 2022 Multimodal Bonds are subject to mandatory tender for purchase on the first day of the new Term Rate Period (whether or not the proposed new Term Rate Period becomes effective on such date, unless the Series 2022 Multimodal Bonds are not supported by a Series 2022 Credit Facility, in which case the Series 2022 Multimodal Bonds will be purchased only upon a successful remarketing at the new Term Rate) at the Purchase Price; and

(vii) that, to the extent that there shall be on deposit with the Series 2022 Paying Agent on the first day of the new Term Rate Period an amount of money sufficient to pay the Purchase Price thereof, all such series or subseries of Series 2022 Multimodal Bonds or subseries of Series 2022 Multimodal Bonds not delivered to the Series 2022 Paying Agent on or prior to such date shall be deemed to have been properly tendered for purchase and shall cease to constitute or represent a right on behalf of the owner thereof to the payment of principal thereof or interest thereon and shall represent and constitute only the right to payment of the Purchase Price on deposit with the Series 2022 Paying Agent, without interest accruing thereon after such date.

(6) End of Term Rate. In the event the City has not given a Term Rate Continuation Notice or a Conversion Notice with respect to Series 2022 Multimodal Bonds bearing interest at a Term Rate at the time required by Section 502D(2) or Section 503, as applicable, or if the conditions to the effectiveness of a new Term Rate Period and new Term Rate set forth in Section 502D(3) or the conditions to Conversion to another Rate Period are not satisfied, including as a result of the Remarketing Agent failing to establish a Term Rate as herein provided, then on the day following the last day of the current Term Rate Period, such Series 2022 Multimodal Bonds shall bear interest at a rate of interest equal to the Stepped Rate determined on each Stepped Rate Determination Date, subject to the provisions of Section 611C. If the Stepped Rate is based on the SIFMA Swap Index, a Weekly Rate Period shall automatically commence for such Series 2022

Multimodal Bonds. Notwithstanding anything to the contrary in the General Bond Ordinance or this Supplemental Ordinance, unless a Series 2022 Credit Facility is in effect with respect to such Series 2022 Multimodal Bonds for which a Weekly Rate Period has commenced, such Series 2022 Multimodal Bonds shall not be subject to optional tender pursuant to Section 604.

E. Fixed Rate. The Interest Rate Determination Method for any series or subseries of Series 2022 Multimodal Bonds may be converted from any Variable Rate to a Fixed Rate in accordance with the provisions of 503. After such Conversion, such Series 2022 Multimodal Bonds shall bear interest at the Fixed Rate. The interest rate to be borne by such Series 2022 Multimodal Bonds of each maturity from the Fixed Rate Conversion Date shall be the rate determined by the Remarketing Agent on the Fixed Rate Computation Date to be the rate which, if borne by such Series 2022 Multimodal Bonds, would, in the judgment of the Remarketing Agent having due regard for prevailing market conditions for Tax-Exempt Securities or Taxable Securities, as applicable, which are comparable to such Series 2022 Multimodal Bonds, be the lowest interest rate which would enable such Remarketing Agent to place such Series 2022 Multimodal Bonds of such maturity for which the Fixed Rate is to be determined at a price of par on the Fixed Rate Conversion Date.

If the City obtains a Favorable Opinion of Bond Counsel with respect to such actions: (i) in determining the Fixed Rate for any Series 2022 Multimodal Bond, the Remarketing Agent, subject to the approval of an Authorized Representative, may also determine on or before the Business Day next preceding the determination of the Fixed Rate for such Series 2022 Multimodal Bonds, redemption dates and redemption premiums, if any, to be paid upon the optional redemption of such Series 2022 Multimodal Bonds which differ from such redemption dates and premiums as are set forth in Section 601D hereof, such redemption dates and redemption premiums, if any, to be, in the best judgment of the Remarketing Agent, consistent with then current marketing conditions; and (ii) the Remarketing Agent, subject to the approval of an Authorized Representative, may also determine, on or before the Business Day next preceding the determination of the Fixed Rate for such Series 2022 Multimodal Bonds, with respect to any Series 2022 Multimodal Bond constituting a Term Bond, a new maturity date for any portion of such Series 2022 Multimodal Bond; provided, however, that such new maturity date shall be a

November 15 prior to the original maturity date; and provided further that such Series 2022 Multimodal Bond shall continue to be subject to mandatory redemption from Sinking Fund Installments established for such Series 2022 Multimodal Bond unless, on any Sinking Fund Installment due date for such Series 2022 Multimodal Bond, such Sinking Fund Installment is applied to the payment of that portion of such Series 2022 Multimodal Bond which now matures on such Sinking Fund Installment due date.

F. Index Rate.

(1) Generally. Upon a successful Conversion of any series or subseries of Series 2022 Multimodal Bonds to an Index Rate pursuant to Section 503, or upon the continuation of a series or subseries of Series 2022 Multimodal Bonds in an Index Rate Period, and until such Series 2022 Multimodal Bonds are successfully converted to another Interest Rate Determination Method pursuant to Section 503, such Series 2022 Multimodal Bonds shall bear interest at the Index Rate applicable to such Series 2022 Multimodal Bonds, as determined by the Index Agent. Except as may be otherwise specified in a Pricing Certificate, the initial Index Rate for each Index Rate Period with respect to a Series 2022 Multimodal Bond shall apply to the period commencing on the first day of such Index Rate Period and ending on the following Wednesday, unless such first day is a Wednesday, in which case the initial rate will only apply to such first day and thereafter, each Index Rate shall apply to the period commencing on and including Thursday (whether or not a Business Day) to and including the following Wednesday. The duration of the Index Rate Period, the Stepped Rate to be applicable to such Series 2022 Multimodal Bonds should insufficient funds be available for their purchase at the end of such Index Rate Period, the next Purchase Date, the Index Rate Index, the frequency with which the Index Rate will be recalculated, the Interest Payment Dates applicable to such Series 2022 Multimodal Bonds and any alternative Index Rate Determination Dates shall be as specified in the Pricing Certificate given with respect to the Conversion of a series or subseries of Series 2022 Multimodal Bonds to the Index Rate Period pursuant to Section 503D or with respect to any new Index Rate and Index Rate Period for Series 2022 Multimodal Bonds then bearing interest at an Index Rate pursuant to Section 502F(4).

(2) Determination of Applicable Spread. The Index Rate for a series or subseries of Series 2022 Multimodal Bonds shall be based on the Index Rate Index, which shall be designated by the City not less than five Business Days prior to the Conversion Date or Purchase Date. The Remarketing Agent shall determine the Applicable Spread to be used in calculating the Index Rate on or before the Index Rate Determination Date preceding the Conversion Date or Purchase Date. The "Applicable Spread" shall be the amount that, when added to or subtracted from the Index Rate Index, will result in the minimum Index Rate that, in the judgment of the Remarketing Agent under then-existing market conditions, will result in the remarketing of such Series 2022 Multimodal Bonds on their Conversion Date or Purchase Date at a price equal to 100% of the principal amount thereof. The Remarketing Agent shall provide notice by Electronic Means to the Index Agent, the Series 2022 Paying Agent (if the Series 2022 Paying Agent is not also the Index Agent) and the City of the Applicable Spread. The Remarketing Agent shall offer for sale and use its best efforts to sell such Series 2022 Multimodal Bonds on the Conversion Date at a price equal to 100% of the principal amount thereof, as provided herein and in the applicable Remarketing Agreement.

(3) Calculation of Index Rate. The Index Rate for each series or subseries of Index Bonds shall be calculated on each Index Rate Determination Date (preceding the date on which such Index Rate is to become effective) by the Index Agent and shall be equal to: (A) the Index Rate Index on the Index Rate Determination Date, as determined by the Index Agent, plus (B) the Applicable Spread that was determined pursuant to the preceding paragraph, and such Index Rate shall be rounded to the nearest one hundred thousandth of one percent (0.00001%), except as otherwise provided in a Pricing Certificate. The initial Index Rate (as calculated from time to time pursuant to the Pricing Certificate) shall apply, unless otherwise specified in the Pricing Certificate, to the period commencing on the Conversion Date or the Purchase Date and ending on the next Wednesday or on the Conversion Date, if the Conversion Date is a Wednesday and, notwithstanding anything to the contrary in this Section, may be calculated by the Remarketing Agent, with the approval of the City, on any Business Day not more than sixty (60) Business Days nor less than two (2) Business Days prior to such Conversion Date; and thereafter, each Index Rate, as determined above,

unless otherwise specified in the Pricing Certificate, shall apply to the period commencing on and including Thursday (whether or not a Business Day) to and including the following Wednesday. The Index Agent shall calculate the Index Rate for each series or subseries of Index Bonds as provided above and shall furnish such Index Rate to the Series 2022 Paying Agent (if the Series 2022 Paying Agent is not also the Index Agent) and the City by Electronic Means no later than the Business Day next succeeding each Index Rate Determination Date. Upon the request of an owner, the Series 2022 Paying Agent shall confirm by Electronic Means the Index Rate then in effect. In lieu of the notifications provided in the preceding sentences, the Series 2022 Paying Agent may make such information available by readily accessible Electronic Means.

The Series 2022 Paying Agent shall, as soon as available and by no later than the Business Day preceding each Interest Payment Date, notify the City in writing of the total amount of interest payable with respect to each series of Index Bonds on such Interest Payment Date.

The determinations of the initial Index Rate and all subsequent Index Rates shall be conclusive and binding upon the City, the Series 2022 Paying Agent, each Series 2022 Credit Facility Provider, the Remarketing Agent, the Index Agent and the owners, absent manifest error.

(4) Index Rate Continuation. On any date a series or subseries of Series 2022 Multimodal Bonds in an Index Rate Period is subject to optional redemption, or as of the Purchase Date of any series or subseries of Series 2022 Multimodal Bonds in an Index Rate Period, unless the City has given a Conversion Notice with respect to the Conversion of such series or subseries of Series 2022 Multimodal Bonds to another Interest Rate Determination Method pursuant to Section 503, the City may establish a new Index Rate Period for such series or subseries of Series 2022 Multimodal Bonds with such right to be exercised by delivery of a written notice of the Treasurer or any other Authorized Representative (an “Index Rate Continuation Notice”) to the Series 2022 Paying Agent, the Index Agent (if the Series 2022 Paying Agent is not the Index Agent), and the Remarketing Agent for such series or subseries of Series 2022 Multimodal Bonds no less than thirty-five

(35) days prior to the effective date of the new Index Rate Period. The Index Rate Continuation Notice must contain the information required by Sections 503B and 503F. The Authorized Representative shall also deliver a Pricing Certificate to the Series 2022 Paying Agent no later than five (5) Business Days prior to the effective date of the new Index Rate Period. The Index Rate Continuation Notice and the Pricing Certificate required by this paragraph shall each be accompanied by the proposed form of an Opinion of Bond Counsel proposed to be delivered in connection with the continuation of such series or subseries of Series 2022 Multimodal Bonds in the Index Rate Period stating that the new Index Rate Period is authorized and permitted under this Supplemental Ordinance and will not, in and of itself, adversely affect the Tax-Exempt status of the interest on any of such Series 2022 Multimodal Bonds issued as Tax-Exempt Series 2022 Bonds.

Each such Series 2022 Multimodal Bond shall be subject to mandatory tender on the first day of such new Index Rate Period pursuant to the applicable provisions of Section 605 for purchase at its Purchase Price. No new Index Rate Period shall become effective unless the Opinion of Bond Counsel referred to above is delivered on (and as of) the first day of the new Index Rate Period and unless all such Outstanding Series 2022 Multimodal Bonds of such series or subseries are successfully remarketed in the new Index Rate Period at the new Index Rate on the first day of the new Index Rate Period.

(5) Notice to Owners. Upon receipt of an Index Rate Continuation Notice from an Authorized Representative, as soon as possible, but in any event not less than thirty (30) days prior to the first day of the proposed Index Rate Period, the Series 2022 Paying Agent shall give notice by first-class mail to the owners of the affected Series 2022 Multimodal Bonds, the Index Agent (if the Series 2022 Paying Agent is not the Index Agent) and the Remarketing Agent, which notice shall (1) state in substance that a new Index Rate Period is to be established for such Series 2022 Multimodal Bonds on the applicable Index Rate Conversion Date if the conditions specified in this Supplemental Ordinance (and generally described in such notice) are satisfied on or before such date, (2) state that a new Index Rate Period shall not be established unless the Opinion of Bond Counsel referred to above is delivered to the Series 2022 Paying Agent on (and

as of) the first day of the new Index Rate Period and all such Series 2022 Multimodal Bonds are successfully remarketed in the new Index Rate Period and at the new Index Rate on the first day thereof, and (3) contain the additional information required by Sections 503B and 503F.

(6) <u>End of Index Rate</u>. In the event the City has not given an Index Rate Continuation Notice or a Conversion Notice with respect to the Series 2022 Multimodal Bonds bearing interest at an Index Rate at the time required by Section 502F(4) or Section 503, as applicable, or if the conditions to the effectiveness of a new Index Rate Period and new Index Rate set forth in Section 502F(4) or the conditions to Conversion to another Rate Period are not satisfied, then on the day following the last day of the current Index Rate Period, unless otherwise provided in the applicable Pricing Certificate, a Weekly Rate Period shall automatically commence for such Series 2022 Multimodal Bonds; provided that, notwithstanding anything to the contrary in the General Bond Ordinance or this Supplemental Ordinance, unless a Series 2022 Credit Facility is in effect with respect to such Series 2022 Multimodal Bonds, such Series 2022 Multimodal Bonds shall not be subject to optional tender pursuant to Section 604 and shall bear interest at a rate of interest equal to the Stepped Rate determined on each Stepped Rate Determination Date, subject to the provisions of Section 611C.

G. <u>Failure to Determine Rate for Certain Rate Periods</u>. If, for any reason, the Daily Rate or the Weekly Rate on any Series 2022 Multimodal Bond is not established as provided herein by the Remarketing Agent pursuant to Sections 502A or 502B or no Remarketing Agent shall be serving as such hereunder for such Series 2022 Multimodal Bonds or any Rate so established is held to be invalid or unenforceable with respect to any such Rate Period, then an interest rate for such Rate Period equal to 100% of the applicable Rate Index on the date such Daily Rate or Weekly Rate was (or would have been) determined as provided above shall be established automatically.

If, for any reason, the Remarketing Agent fails to set the length of any Commercial Paper Rate Period or to establish any Commercial Paper Rate for any Series 2022 Multimodal Bond or a court holds any Commercial Paper Rate Period or Commercial Paper Rate for any Series 2022 Multimodal Bond to be invalid or unenforceable, a

Commercial Paper Rate Period for such Series 2022 Multimodal Bond lasting through the next day immediately preceding a Business Day (or until the earlier stated maturity thereof) and an interest rate applicable to such Series 2022 Multimodal Bond equal to 100% of the Daily Rate Index shall be established automatically.

H. Notice of Rates. In a timely fashion following the determination of any Rate, the Remarketing Agent establishing such Rate shall give written notice or notice by Electronic Means thereof to the City and the Series 2022 Paying Agent. Such notice shall also include details as to the principal amount of the Series 2022 Multimodal Bonds and the Interest Rate Determination Method at the time applicable. Promptly upon receipt of notice from a Remarketing Agent of any Fixed Rate, the Series 2022 Paying Agent shall give the owner of each Series 2022 Multimodal Bond being converted to a Fixed Rate notice by Electronic Means of the Fixed Rate.

I. Absence of Remarketing Agent; Binding Determination. If no Remarketing Agent shall be serving hereunder with respect to any series or subseries of Series 2022 Multimodal Bonds, the determination of the applicable Rate Index shall be made by the Series 2022 Paying Agent at the written direction of the City. The determination of any Rate or Rate Index by a Remarketing Agent or, as aforesaid, the Series 2022 Paying Agent, at the written direction of the City, with respect to any Series 2022 Multimodal Bond, shall be conclusive and binding upon the City, the Series 2022 Paying Agent, the Remarketing Agent, any Series 2022 Credit Facility Provider for such Series 2022 Multimodal Bond and the owner of such Series 2022 Multimodal Bond.

J. No Liability. In determining the interest rate that any Series 2022 Multimodal Bond shall bear as provided in this Article V, neither the Remarketing Agent nor the Series 2022 Paying Agent shall have any liability to the City or the owner of such Series 2022 Multimodal Bond, except for its negligence or willful misconduct.

Section 503 Conversion of Interest Rate Determination Method.

A. Right of Conversion. The Interest Rate Determination Method for any series or subseries of Series 2022 Multimodal Bonds is subject to Conversion from time to time by the City, with such right to be exercised by delivery of a written notice of an Authorized Representative (such notice being the “Conversion Notice”) to the Series 2022 Paying

Agent, the Index Agent, if any, the Remarketing Agent, and the Series 2022 Credit Facility Provider, if any, for such Series 2022 Multimodal Bonds to be converted as follows:

(1) at least four (4) Business Days prior to the thirtieth (30th) day preceding the effective date of such proposed Conversion, in the event of a Conversion to a Daily Rate, Weekly Rate, Commercial Paper Rate, or Index Rate; and

(2) at least five (5) Business Days prior to the thirtieth (30th) day preceding the effective date of such proposed Conversion, in the event of a Conversion to a Term Rate or a Fixed Rate.

Each Authorized Representative is hereby authorized to execute and deliver a Conversion Notice to change the Interest Rate Determination Method at such time or times as the officer executing the Conversion Notice determines to be in the best interests of the City, such determination to be conclusively evidenced by such execution.

The Conversion Notice must be accompanied by (i) the proposed form of an Opinion of Bond Counsel stating that the Conversion is authorized and permitted under this Supplemental Ordinance and (unless the Series 2022 Multimodal Bonds are to be remarketed after the proposed Conversion as obligations that are not Tax-Exempt) will not, in and of itself, adversely affect the Tax-Exempt status of the interest on any of such Series 2022 Multimodal Bonds to be converted, and (ii) a notice of the new Series 2022 Credit Facility Provider and the new Series 2022 Credit Facility, if any, if at the same time as such Series 2022 Multimodal Bonds are being converted there will be a change of Series 2022 Credit Facility Provider or Series 2022 Credit Facility with respect to such Series 2022 Multimodal Bonds.

B. Conversion to Index Rate Period. The following provisions shall apply to the Conversion of a series or subseries of Series 2022 Multimodal Bonds to an Index Rate Period:

On or prior to the fifth Business Day preceding the Conversion of any Series 2022 Multimodal Bond to the Index Rate Period, the Treasurer or any other Authorized Representative, in consultation with the applicable Remarketing Agent, shall determine: (a) the duration of the Index Rate Period, (b) the optional redemption provisions applicable to such Series 2022 Multimodal Bonds during such Index Rate Period, if any, (c) the Stepped Rate to be applicable to such Series 2022 Multimodal Bonds should insufficient funds be available to purchase such bonds at the end of such Index Rate Period, (d) the proposed next Purchase Date, if any, (e) the Index Rate Index, if other than the SIFMA Swap Index, (f) the frequency with which the Index Rate shall be recalculated, (g) the Interest Payment Dates applicable to such Series 2022 Multimodal Bonds while bearing interest in an Index Rate Period, and (h) alternative Index Rate Determination Dates and Stepped Rate Determination Dates, if any. The City shall provide notice to the Series 2022 Paying Agent of all such determinations in the Pricing Certificate delivered pursuant to Section 503D.

The Series 2022 Paying Agent shall give notice by first-class mail of a proposed conversion of a series or subseries of Series 2022 Multimodal Bonds to the Index Rate Period to the owners of such Series 2022 Multimodal Bonds, as provided in Section 502(F). Such notice shall state for such Series 2022 Multimodal Bonds: (A) that the interest rate thereon shall be converted to the Index Rate; (B) the proposed Conversion Date; and (C) that such Series 2022 Multimodal Bonds are subject to mandatory tender for purchase on the proposed Conversion Date and setting forth the Purchase Price and the place of delivery for the purchase of such Series 2022 Multimodal Bonds.

C. Conversion from Index Rate Period and Term Rate Period at the Option of the City. Notwithstanding anything herein to the contrary, (i) any series or subseries of Series 2022 Multimodal Bonds bearing interest in an Index Rate Period shall be subject to Conversion at the option of the City on any date such series of Series 2022 Multimodal Bonds are subject to optional redemption or any date on which such Series 2022 Multimodal Bonds are subject to mandatory tender pursuant to Section 605 or Section 701; and (ii) any series or subseries of Series 2022 Multimodal Bonds bearing interest in a Term Rate Period shall be subject to Conversion at the option of the City on any date such series of Series 2022 Multimodal Bonds are subject to optional redemption or any date on which such Series 2022 Multimodal Bonds are subject to mandatory tender pursuant to Section 605 or Section 701.

D. Delivery of Pricing Certificate. In connection with any Conversion of the Series 2022 Multimodal Bonds to a Term Rate or an Index Rate, the Authorized

Representative shall also deliver a Pricing Certificate to the Series 2022 Paying Agent specifying the information required by Section 503F. Such Pricing Certificate must be accompanied by the form of an Opinion of Bond Counsel proposed to be delivered in connection with the Conversion stating that the new Term Rate Period or Index Rate Period, as applicable, is authorized and permitted under this Supplemental Ordinance and (unless the Series 2022 Multimodal Bonds are to be remarketed after the proposed Conversion as obligations that are not Tax-Exempt) will not, in and of itself, adversely affect the Tax-Exempt status of the interest on any of such series of Series 2022 Multimodal Bonds.

E. Limitations. Any Conversion pursuant to this Section 503 must comply with the following:

(1) the Conversion Date must be a date on which such Series 2022 Multimodal Bonds are subject to mandatory tender pursuant to the applicable provisions of Section 605 or Section 701;

(2) the Conversion Date must be a Business Day and, if the Conversion is from the Commercial Paper Rate, shall be a date determined in accordance with Section 502C;

(3) the Series 2022 Credit Facility for such Series 2022 Multimodal Bonds after a Conversion to a Variable Rate must cover (except for conversion to an Index Rate Period or a Term Rate Period) principal plus accrued interest (computed at the Maximum Interest Rate then in effect on the basis of a 365-day year and actual days elapsed or a 360 day year of twelve 30-day months, as applicable) for the maximum number of days between Interest Payment Dates permitted under that Interest Rate Determination Method, plus such additional number of days, if any, as shall be required by each Rating Agency then rating such Series 2022 Multimodal Bonds; provided that if the number of days of interest coverage provided by the Series 2022 Credit Facility is being changed from the number of days previously in place, the Series 2022 Paying Agent shall have also received a Rating Confirmation from each of the Rating Agencies then rating such Series 2022 Multimodal Bonds;

(4) no Conversion shall become effective unless the Opinion of Bond Counsel referred to in Section 503A is delivered on (and as of) the Conversion Date and all affected Outstanding Series 2022 Multimodal Bonds are successfully purchased or deemed purchased and remarketed in the new Interest Rate Determination Method on the Conversion Date; and

(5) upon Conversion of any series or subseries of Series 2022 Multimodal Bonds to a Fixed Rate Period, an Index Rate Period or a Term Rate Period, an Authorized Representative may provide in the Conversion Notice to the Series 2022 Credit Facility Provider, if any, a request for termination of the Series 2022 Credit Facility with respect to such Series 2022 Multimodal Bonds to be effective upon such Conversion to a Fixed Rate Period, an Index Rate Period or a Term Rate Period.

F. Contents of Conversion Notice; Pricing Certificate. The Conversion Notice must specify: (1) the proposed Conversion Date; (2) the new Interest Rate Determination Method to take effect; (3) whether the Series 2022 Credit Facility then in effect, if any, will remain in effect and, if applicable, the terms upon which the owners of such Series 2022 Multimodal Bonds shall have the option to tender such Series 2022 Multimodal Bonds for purchase during the new Interest Rate Determination Method; (4) if a new Series 2022 Credit Facility will be in effect after the proposed Conversion Date, the form and terms of such Series 2022 Credit Facility; (5) if the Conversion is to the Fixed Rate, the redemption dates and redemption prices applicable to such Fixed Rate Period; and (6) modifications to the Sinking Fund Installments, if any.

The Pricing Certificate delivered in connection with a Conversion to or continuation of a Term Rate must specify: (1) the duration of the Term Rate Period, (2) the optional redemption provisions applicable to such Series 2022 Multimodal Bonds during such Term Rate Period, if any, and (3) the Stepped Rate to be applicable to such Series 2022 Multimodal Bonds should insufficient funds be available to purchase such bonds at the end of such Term Rate Period. The Pricing Certificate delivered in connection with a Conversion to or continuation of an Index Rate must specify: (1) the duration of the Index Rate Period, (2) the optional redemption provisions applicable to such Series 2022 Multimodal Bonds during such Index Rate Period, if any, (3) the Stepped Rate to be applicable to such Series 2022 Multimodal Bonds should insufficient funds be available to purchase such bonds at the end of such Index Rate Period, (4) the proposed next Purchase Date, if any, (5) the Index Rate Index, if other than the SIFMA Swap Index, (6) the frequency with which the Index Rate shall be recalculated, (7) the proposed Interest Payment Dates applicable to such Series 2022 Multimodal Bonds while bearing interest in an Index Rate Period, and (8) alternative Index Rate Determination Dates and Stepped Rate Determination Dates, if any.

G. Notice to Owners. Upon receipt of a Conversion Notice from an Authorized Representative, as soon as possible, but in any event not less than thirty (30) days prior to the proposed Conversion Date, the Series 2022 Paying Agent shall give notice by first-class mail to the affected owners of Series 2022 Multimodal Bonds, which notice shall state in substance:

(1) that the Interest Rate Determination Method for the applicable Series 2022 Multimodal Bonds shall be converted to the specified Variable Rate or the Fixed Rate, as the case may be, on the applicable Conversion Date if the conditions specified in this Supplemental Ordinance (and generally described in such notice) are satisfied on or before such date;

(2) the applicable Conversion Date;

(3) that the City has delivered to the Remarketing Agent the form of an Opinion of Bond Counsel proposed to be delivered to the Remarketing Agent in connection with the Conversion;

(4) that the Interest Rate Determination Method for such Series 2022 Multimodal Bonds shall not be converted unless the Opinion of Bond Counsel referred to above is delivered to the Remarketing Agent on (and as of) the Conversion Date and all such Series 2022 Multimodal Bonds are successfully purchased and remarketed in the new Interest Rate Determination Method on the Conversion Date;

(5) the CUSIP numbers or other identification information of such Series 2022 Multimodal Bonds;

(6) that all such Series 2022 Multimodal Bonds are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price whether or not the proposed Conversion becomes effective on such date, unless converting from an Index Rate Period or a Term Rate Period not supported by a Series 2022 Credit Facility, in which case the Series 2022 Multimodal Bonds subject to mandatory tender will be purchased only upon a successful remarketing at the new Index Rate or Term Rate;

(7) that, to the extent that there shall be on deposit with the Series 2022 Paying Agent on the applicable Conversion Date an amount of money sufficient to pay the Purchase Price thereof, all Series 2022 Multimodal Bonds to be converted on the Conversion Date not delivered to the Series 2022 Paying Agent on or prior to the Conversion Date shall be deemed to have been properly tendered for purchase and shall cease to constitute or represent a right on behalf of the owner thereof to the payment of principal thereof or interest thereon and shall represent and constitute only the right to payment of the Purchase Price on deposit with the Remarketing Agent, without interest accruing thereon after the Conversion Date; and

(8) such additional matters as are required by Section 503B, if applicable.

H. <u>Failure of Conditions to be Met</u>. If the City fails to deliver the Opinion of Bond Counsel required by Section 503E(4) on or before the Conversion Date or if the Remarketing Agent has not successfully remarketed all of the Outstanding Series 2022 Multimodal Bonds of a series or subseries to be converted to the new Interest Rate Determination Method on the Conversion Date, the Interest Rate Determination Method shall not be converted but, except if converting from an Index Rate Period or a Term Rate Period not supported by a Series 2022 Credit Facility, such Series 2022 Multimodal Bonds of a series or subseries shall be deemed to have been tendered for purchase on the Conversion Date specified in the Conversion Notice and shall be purchased on the Conversion Date specified in the Conversion Notice, and such Series 2022 Multimodal Bonds shall continue to bear interest at the Interest Rate Determination Method in effect prior to the proposed Conversion Date specified in the Conversion Notice; provided, however, that, except with respect to Series 2022 Multimodal Bonds bearing interest in an Index Rate Period or a Term Rate Period not supported by a Series 2022 Credit Facility, the rate of interest on such Series 2022 Multimodal Bonds shall be determined on the proposed Conversion Date and, if sufficient funds are not available for the purchase of such Series 2022 Multimodal Bonds, the provisions of Section 611C shall apply. In such event, the City and the owners of such Series 2022 Multimodal Bonds that were to be converted to another Interest Rate Determination Method shall be restored (except as aforesaid with respect to the purchase of Series 2022 Multimodal Bonds) to their former positions and rights hereunder with respect to such Series 2022 Multimodal Bonds, and all rights of the City hereunder shall continue as if no such proceedings for the Conversion of the interest rate on such Series 2022 Multimodal Bonds had taken place.

With respect to any Conversion of a series or subseries of Series 2022 Multimodal Bonds from an Index Rate Period or a Term Rate Period not supported by a Series 2022 Credit Facility, if the City fails to deliver the Opinion of Bond Counsel required by Section 503E(4) to the Remarketing Agent before the Conversion Date or if the Remarketing Agent has not successfully remarketed all of the Outstanding Series 2022 Multimodal Bonds of such series or subseries to be converted to the new Interest Rate Determination Method on the Conversion Date, the Interest Rate Determination Method shall not be converted and such Series 2022 Multimodal Bonds shall not be deemed to have been tendered for purchase on the Conversion Date specified in the Conversion Notice and, except as otherwise provided in Section 502D(6) or Section 502F(6) with respect to failed Conversions on the day following the end of the applicable Index Rate Period or Term Rate Period, such Series 2022 Multimodal Bonds shall continue to bear interest at the Interest Rate Determination Method in effect prior to the proposed Conversion Date specified in the Conversion Notice. Unsuccessful Conversions or continuations attempted prior to the end of the Index Rate Period or the Term Rate Period do not result in a change in rate and the owners of the Series 2022 Multimodal Bonds will continue to hold such Bonds at the Index Rate or the Term Rate until the end of the Rate Period. Only after the end of the Rate Period will any series or subseries of the Series 2022 Multimodal Bonds not remarketed bear interest at the Stepped Rate.

The Series 2022 Paying Agent shall promptly notify by Electronic Means the Series 2022 Credit Facility Provider and the Remarketing Agent, if any, for such Series 2022 Multimodal Bonds of each such failed Conversion.

I. Notice Failure No Bar. Failure of an owner of a Series 2022 Multimodal Bond to receive the notice described in Section 503G, or any defect therein, shall not affect the validity of any Rate or any continuation of or change in the Interest Rate Determination Method for any of the Series 2022 Multimodal Bonds or extend the period for tendering any of the Series 2022 Multimodal Bonds for purchase, and the Series 2022 Paying Agent shall not be liable to any owner of a Series 2022 Multimodal Bond by reason of the failure of such owner to receive such notice or any defect therein.

J. No Conversion During Continuance of Event of Default. No Conversion shall occur under this Section 503 if at the time of such Conversion an Event of Default shall have occurred and be continuing, unless such Conversion will cure the Event of Default. The Series 2022 Paying Agent and the Remarketing Agent may conclusively rely upon a certificate of an Authorized Representative that no such default exists.

K. Notice to Remarketing Agent. The City may not elect a change in the Interest Rate Determination Method for any series or subseries of Series 2022 Multimodal Bonds without written notice to the Remarketing Agent for the affected Series 2022 Multimodal Bonds.

L. Rescission of Election. Notwithstanding anything herein to the contrary, the City may rescind any Conversion Notice given pursuant to this Section 503 by giving written notice thereof to the Series 2022 Paying Agent, the Series 2022 Credit Facility Provider for such Series 2022 Multimodal Bonds, if any, and the Remarketing Agent on or prior to such proposed Conversion Date. If the Series 2022 Paying Agent receives notice of such rescission prior to the time the Series 2022 Paying Agent has given notice to the owners of the affected Series 2022 Multimodal Bonds pursuant to Section 503G, then the Conversion Notice previously delivered by the City shall be of no force and effect. If the Series 2022 Paying Agent receives notice from the City of rescission of the Conversion Notice after the Series 2022 Paying Agent has given notice to the owners of the affected Series 2022 Multimodal Bonds pursuant to Section 503G, then such Series 2022 Multimodal Bonds shall continue to be subject to mandatory tender for purchase on the Conversion Date specified in the Conversion Notice (unless such Bonds are in an Index Rate Period or in a Term Rate Period not supported by a Series 2022 Credit Facility prior to such proposed Conversion Date, in which case there will be no purchase or Conversion) and the Rate Period for such Series 2022 Multimodal Bonds shall automatically adjust to, or continue as, a Weekly Rate Period on the Conversion Date specified in the Conversion Notice. No Opinion of Bond Counsel shall be required in connection with the automatic adjustment to a Weekly Rate Period pursuant to this paragraph.

Section 504 Conversion of Series 2022 Credit Facility Bonds. Notwithstanding anything to the contrary contained in the General Bond Ordinance or this Supplemental Ordinance, if all of the Outstanding Series 2022 Multimodal Bonds of any series or subseries are Series 2022 Credit Facility Bonds, such Series 2022 Multimodal Bonds may be converted to a Fixed Rate on such Conversion Date as shall be acceptable to the applicable Series 2022 Credit Facility Provider, the Series 2022 Paying Agent, the Remarketing Agent and the City, provided that on such Conversion Date the City shall deliver to the Remarketing Agent an Opinion of Bond Counsel stating that the Conversion is authorized and permitted under this Supplemental Ordinance and will not, in and of itself, adversely affect the Tax-Exempt status of the interest on any Series 2022 Multimodal Bonds of such series or subseries (unless the Series 2022 Multimodal Bonds of such Series or Subseries are to be remarketed after the proposed Conversion as obligations that are not Tax-Exempt).

Section 505 Stepped Rate Calculation; Weekly Rate Period. The Index Agent shall calculate the Stepped Rate to be applicable to any series or subseries of Series 2022 Multimodal Bonds on each Stepped Rate Determination Date and promptly furnish such calculations to the Series 2022 Paying Agent in writing. The Series 2022 Paying Agent will furnish the Stepped Rate calculations to the City by Electronic Means on each Stepped Rate Determination Date and such Stepped Rate shall apply to such Series 2022 Multimodal Bonds during the periods set forth in the applicable Pricing Certificate. If not provided for in the applicable Pricing Certificate or if the Stepped Rate is otherwise based on the SIFMA Swap Index, such Stepped Rate with respect to a Series 2022 Multimodal Bond shall be applicable to such Bond during the period from and including the Failed Tender Date to and including the following Wednesday (unless the Failed Tender Date is a Wednesday, in which event the initial rate will only apply to such Wednesday) and, thereafter, the Stepped Rate with respect to a Series 2022 Multimodal Bond will apply for each Calendar Week, unless a change in spread occurs within a Calendar Week, until such Series 2022 Multimodal Bond is purchased. The Index Agent's calculations of the Stepped Rate or Rates for any Calendar Week shall reflect any applicable changes in the Stepped Rate that, by definition, will occur during such period, including any applicable changes in the spread to be applied to the Stepped Rate Index.

Notwithstanding anything to the contrary in this Supplemental Ordinance, including Section 502B hereof, in a Weekly Rate Period during which a series or subseries of Series 2022 Multimodal Bonds bears interest at the Stepped Rate based on the SIFMA Swap Index, the rate of interest applicable to such series or subseries of Series 2022 Multimodal Bonds during each Calendar Week shall be the Stepped Rate, calculated as set forth in this Section 505, including any applicable changes in the actual rate of interest that occur during such Calendar Week as reflected in such calculations.

ARTICLE VI
REDEMPTION AND PURCHASE OF SERIES 2022 BONDS

Section 601 Optional Redemption.

A. Optional Redemption – Commercial Paper Rate Period. Series 2022 Multimodal Bonds bearing interest at the Commercial Paper Rate are not subject to optional redemption prior to their respective Purchase Dates. Series 2022 Multimodal Bonds bearing interest at the Commercial Paper Rate are subject to redemption at the option of the City in whole or in part on their respective Purchase Dates at a redemption price equal to the Purchase Price thereof.

B. Optional Redemption – Daily Rate Period and Weekly Rate Period. Series 2022 Multimodal Bonds bearing interest at the Daily Rate or the Weekly Rate are subject to optional redemption by the City, in whole or in part, in Authorized Denominations on any day, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, without premium.

C. Optional Redemption – Term Rate Period. Series 2022 Multimodal Bonds bearing interest at the Term Rate are subject to redemption at the option of the City in whole or in part, in Authorized Denominations, on: (1) the day following the last day of any Term Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, without premium; and (2) any day designated by the City in the Pricing Certificate relating to such Term Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, with premium, if any, as designated by the City in the Pricing Certificate.

D. Optional Redemption – Fixed Rate Period. Unless the City obtains a Favorable Opinion of Bond Counsel as provided in Section 502E, any series or subseries of Series 2022 Multimodal Bonds bearing interest at a Fixed Rate are subject to redemption in whole or in part (and if in part, in such order of maturity as the City shall specify), on any date, at such times and at such redemption prices as follows:

(1) If, on the Fixed Rate Conversion Date, the remaining term of such Series 2022 Multimodal Bonds is greater than eight years, then such Series 2022 Multimodal Bonds will not be subject to optional redemption until the first May 15 or November 15 (whichever is earlier) to follow the eighth (8th) anniversary of the Conversion of such Series 2022 Multimodal Bonds to a Fixed Rate. On such first May 15 or November 15, such Series 2022 Multimodal Bonds will be subject to redemption at 102% of the principal amount thereof, plus accrued interest, if any, to the date of redemption, which redemption price will decline by one percent (1%) per annum on each succeeding anniversary of such first May 15 or November 15 until reaching a redemption price of 100% of the principal amount thereof, plus accrued interest, if any, to the date of redemption, and thereafter at a redemption price of 100% of the principal amount thereof, plus accrued interest, if any, to the date of redemption.

(2) If, on the Fixed Rate Conversion Date, the remaining term of such Series 2022 Multimodal Bonds is less than eight years, then such Series 2022 Multimodal Bonds will not be subject to optional redemption.

E. Optional Redemption – Index Rate Period. Series 2022 Multimodal Bonds bearing interest at the Index Rate are subject to redemption at the option of the City in whole or in part, in Authorized Denominations, on: (1) the day following the last day of any Index Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, without premium; and (2) any day designated by the

City in the Pricing Certificate relating to the current Index Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, with premium, if any, as designated by the City in the Pricing Certificate.

F. Optional Redemption for Series 2022 Bonds not Series 2022 Multimodal Bonds. The Series 2022 Bonds (other than any Series 2022 Bonds that constitute Series 2022 Multimodal Bonds) may be subject to redemption prior to maturity at the option of the City as described in the initial Pricing Certificate with respect to a series or subseries of Series 2022 Bonds and in such Series 2022 Bonds. Such redemption may be in whole or in part at any time in principal amounts equal to Authorized Denominations in such order of maturities as may be determined by the City, at the Redemption Price designated therein.

G. Selection of Series 2022 Bonds for Optional Redemption. The City shall designate which maturities of a series or subseries of Series 2022 Bonds are to be called for optional redemption pursuant to Section 601; provided that Series 2022 Credit Facility Bonds shall be redeemed prior to any other Series 2022 Multimodal Bonds; and provided further that, prior to the successful remarketing of any series or subseries of Series 2022 Multimodal Bonds and division of such series into applicable subseries, any partial redemption of such Series 2022 Multimodal Bonds shall be applied to reduce scheduled Sinking Fund Installments of any applicable subseries of such Series 2022 Multimodal Bonds for such date as designated by the City, subject to minimum Authorized Denominations. If less than all of the Series 2022 Bonds of any series or subseries maturing by their terms on any one date are to be redeemed at any one time, the City shall select the Series 2022 Bonds of such maturity date to be redeemed in any manner that it deems appropriate and fair. For purposes of such selection, the Taxable Series 2022 Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. Notwithstanding the foregoing, if less than all of the Taxable Series 2022 Bonds bearing the same rate and maturing on any fixed maturity date are called for prior redemption at the City's option, the particular Taxable Series 2022 Bonds or portions thereof to be redeemed shall be allocated on a pro rata pass-through distribution of principal basis in accordance with Securities Depository procedures, provided that, so long as the Taxable Series 2022 Bonds are held in book-entry form, the selection for redemption of such Taxable Series

2022 Bonds shall be made in accordance with the operational arrangements of Securities Depository then in effect, and, if the Securities Depository operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Taxable Series 2022 Bonds will be selected for redemption, in accordance with Securities Depository procedures, by lot.

Notwithstanding anything contained herein to the contrary, so long as the Series 2022 Bonds are registered in the name of the Securities Depository, the provisions for selecting the Series 2022 Bonds for redemption may be adjusted in order to conform to the requirements of the Securities Depository.

In the event Term Bonds are designated for redemption, the City may designate which Sinking Fund Installments under Section 602, or portions thereof, that are to be reduced as allocated to such redemption.

H. Sufficient Funds Required for Optional Redemption. Any optional redemption of the Series 2022 Bonds and notice thereof shall be rescinded and cancelled pursuant to Section 602 if for any reason on the date fixed for redemption moneys are not available in the Redemption Account or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on such Series 2022 Bonds called for redemption.

I. Notice of Redemption; Rescission. Notice of the prior redemption of any Series 2022 Bonds shall be given by the Series 2022 Bonds Registrar in the name of the City by mailing a copy of the redemption notice by certified or first-class postage prepaid mail, not more than 60 nor less than 20 days prior to the redemption date to the owners of the Series 2022 Bonds to be redeemed at their addresses as shown on the registration records kept by the Series 2022 Bonds Registrar, or in the event that the Series 2022 Bonds to be redeemed are registered in the name of the Securities Depository, such notice may, in the alternative, be given by Electronic Means in accordance with the requirements of the Securities Depository. Failure to give such notice as aforesaid or any defect therein shall not affect the validity of the proceedings for the redemption of any other Series 2022 Bonds.

Such notice shall specify the Series 2022 Bonds to be redeemed, the Redemption Price to be paid and the redemption date. Such notice shall further specify any condition to such redemption and shall state that, upon the satisfaction of any such condition, on the redemption date there will become and will be due and payable upon each Series 2022 Bond or portion thereof (in integral multiples of Authorized Denominations) so to be redeemed at the principal corporate trust office of the Series 2022 Paying Agent, the applicable Redemption Price and accrued interest to the redemption date, and that from and after such date, interest on the Series 2022 Bonds (or portions thereof) called for redemption will cease to accrue. Notice having been given in the manner hereinabove provided and upon satisfaction of any condition to such redemption, the Series 2022 Bond or Series 2022 Bonds so called for redemption shall become due and payable on the redemption date so designated and, upon presentation thereof at the principal corporate trust office of the Series 2022 Paying Agent, the City will pay the Series 2022 Bond or Series 2022 Bonds so called for redemption. No further interest shall accrue on the principal of any such Series 2022 Bond (or portion thereof) called for redemption from and after the redemption date, provided sufficient funds are on deposit at the place of payment on the redemption date. Upon surrender of any Series 2022 Bond redeemed in part only, the Series 2022 Bonds Registrar shall execute and deliver to the owner thereof, at no expense to such owner, a new Series 2022 Bond or Series 2022 Bonds of the same maturity and interest rate and of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the Series 2022 Bond surrendered.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Series 2022 Paying Agent of funds on or before the redemption date sufficient to pay the principal of, interest on and any redemption premium due on the Series 2022 Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the owners of the Series 2022 Bonds called for redemption.

Once notice has been given by the Series 2022 Bonds Registrar, such notice shall be conclusive against all parties and no owner may object thereto or may object to the cessation of interest on the redemption date on the ground that such owner failed to actually receive such notice.

Section 602 Mandatory Redemption.

A. Mandatory Sinking Fund Redemption of Series 2022 Bonds. Except as otherwise provided in Section 502E with respect to the Series 2022 Multimodal Bonds, Series 2022 Bonds are subject to mandatory redemption from Sinking Fund Installments for such Series 2022 Bonds, on each date a Sinking Fund Installment for such Series 2022 Bonds is due, and in the principal amount equal to the Sinking Fund Installment due on such date at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. Sinking Fund Installments for Series 2022 Bonds shall be due in such amounts and on such dates as set forth in the initial Pricing Certificate, except to the extent modified in a subsequent Pricing Certificate.

B. Selection of Series 2022 Bonds for Mandatory Sinking Fund Redemption. If less than all of the Series 2022 Bonds of any series or subseries maturing by their terms on any one date are to be redeemed at any one time with Sinking Fund Installments, the Series 2022 Paying Agent shall select the Series 2022 Bonds of such series or subseries and maturity to be redeemed by lot in any manner that it deems appropriate; provided that Series 2022 Credit Facility Bonds shall be redeemed prior to any other Series 2022 Multimodal Bonds; and provided further that, prior to the successful remarketing of any series or subseries of Variable Rate Bonds and division of such series into applicable subseries, any partial redemption of such series of Series 2022 Bonds shall be applied to reduce scheduled Sinking Fund Installments of any applicable subseries of such series for such date as designated by the City, subject to minimum Authorized Denominations. The Series 2022 Paying Agent shall promptly notify the City in writing of the numbers of the Series 2022 Bonds so selected for redemption. For purposes of such selection, the Series 2022 Bonds of each series or subseries shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

Section 603 Purchase In Lieu of Redemption. In lieu of mandatory redemption, the City may surrender to the Series 2022 Paying Agent for cancellation any series or subseries of Series 2022 Bonds purchased on the open market, and such series or subseries of Series 2022 Bonds shall be cancelled by the Series 2022 Paying Agent. If any series or subseries of Series 2022 Bonds are so cancelled, the City may designate the

Sinking Fund Installments or portions thereof within such series or subseries of Series 2022 Bonds so purchased that are to be reduced as a result of such cancellation. The City covenants and agrees that any Series 2022 Bonds so purchased on the open market in lieu of mandatory redemption will be surrendered promptly to the Series 2022 Paying Agent for cancellation, unless the City shall have delivered to the Series 2022 Paying Agent an Opinion of Bond Counsel stating that the failure to promptly surrender such Series 2022 Bonds for cancellation will not, in and of itself, adversely affect the Tax-Exempt status of the interest on any of such Series 2022 Bonds.

Section 604 Owner's Option to Tender Series 2022 Multimodal Bonds for Purchase. During any Daily Rate Period, any Series 2022 Multimodal Bond or (subject to the other requirements in this section) a portion thereof, may be tendered for purchase on any Business Day at the applicable Purchase Price, payable in immediately available funds, upon (A) delivery by the owner or beneficial owner of such Series 2022 Multimodal Bond to the Remarketing Agent and to the Series 2022 Paying Agent at its principal office of an irrevocable written notice or notice by Electronic Means by 11:00 a.m. (New York City time) on the Purchase Date, which states the principal amount of such Series 2022 Multimodal Bond to be tendered for purchase and the Purchase Date, and (B) delivery of such Series 2022 Multimodal Bond to the Series 2022 Paying Agent on the Purchase Date in accordance with Section 606. The Series 2022 Paying Agent shall keep a written record of the notice described in clause (A) above.

During any Weekly Rate Period, any Series 2022 Multimodal Bond or (subject to the other requirements in this section) a portion thereof, may be tendered for purchase on any Business Day at the applicable Purchase Price, payable in immediately available funds, upon (A) delivery by the owner or beneficial owner of such Series 2022 Multimodal Bond to the Remarketing Agent and to the Series 2022 Paying Agent at its principal office of an irrevocable written notice or notice by Electronic Means by 5:00 p.m. (New York City time) on any Business Day at least seven (7) days prior to the Purchase Date, which states the principal amount of such Series 2022 Multimodal Bond to be tendered for purchase and the Purchase Date, and (B) delivery of such Series 2022 Multimodal Bond to the Series 2022 Paying Agent on the Purchase Date in accordance with Section 606 the Series 2022 Paying Agent shall keep a written record of the notice described in clause (A) above.

If any Series 2022 Multimodal Bond is to be purchased in part pursuant to the paragraphs above in this Section, the amount so purchased and the amount not so purchased must each be an Authorized Denomination.

Any instrument delivered to the Series 2022 Paying Agent in accordance with this Section shall be irrevocable with respect to the purchase for which such instrument was delivered and shall be binding upon the Securities Depository and any subsequent owner or beneficial owner of the Series 2022 Multimodal Bond to which it relates, including any Series 2022 Multimodal Bond issued in exchange therefor or upon the registration of transfer thereof, and as of the date of such instrument, the owner or beneficial owner of the Series 2022 Multimodal Bonds specified therein shall not have any right to optionally tender for purchase such Series 2022 Multimodal Bonds prior to the date of purchase specified in such notice. The City, the Remarketing Agent and the Series 2022 Paying Agent may conclusively assume that any person (other than an owner) providing notice of optional tender pursuant to the paragraphs above in this Section is the beneficial owner of the Series 2022 Multimodal Bond to which such notice relates, and none of the City, the Remarketing Agent or the Series 2022 Paying Agent shall assume any liability in accepting such notice from any person whom it reasonably believes to be a beneficial owner of Series 2022 Multimodal Bonds.

Section 605 Mandatory Tender of Series 2022 Multimodal Bonds for Purchase. The Series 2022 Multimodal Bonds shall be subject to mandatory tender for purchase at the applicable Purchase Price, at the following times and upon the occurrence of any of the events stated below:

A. with respect to all Series 2022 Multimodal Bonds, on the Conversion Date for such Series 2022 Multimodal Bonds to a new Interest Rate Determination Method specified in a Conversion Notice (whether or not the proposed Conversion becomes effective on such date, unless such Series 2022 Multimodal Bonds are being converted from an Index Rate Period or a Term Rate Period not supported by a Series 2022 Credit Facility and the proposed Conversion does not occur, in which case the Series 2022 Multimodal Bonds subject to mandatory tender will not be purchased);

B. with respect to Series 2022 Multimodal Bonds bearing interest at a Daily Rate, a Weekly Rate or a Commercial Paper Rate: (A) on the fifth (5th) Business Day preceding (i) the scheduled expiration of a Series 2022 Credit Facility or (ii) the

Termination of a Series 2022 Credit Facility at the election of the City as permitted by such Series 2022 Credit Facility; and (B) on the date of the provision of a substitute Series 2022 Credit Facility pursuant to Section 614 and the resultant termination of an existing Series 2022 Credit Facility;

C. with respect to each Series 2022 Multimodal Bond bearing interest at a Commercial Paper Rate, each Interest Payment Date immediately following each Commercial Paper Rate Period for such Series 2022 Multimodal Bond;

D. with respect to each Series 2022 Multimodal Bond bearing interest at a Term Rate, on the Interest Payment Date immediately following each Term Rate Period for such Series 2022 Multimodal Bond;

E. with respect to Series 2022 Multimodal Bonds bearing interest at a Daily Rate, a Weekly Rate or a Commercial Paper Rate, upon receipt by the Series 2022 Paying Agent of written notice from the Series 2022 Credit Facility Provider for any such Series 2022 Multimodal Bonds that an event of default or an event of termination (other than an immediate termination or suspension) has occurred under the related Series 2022 Credit Facility with the effect that the obligations of such Series 2022 Credit Facility Provider to purchase such Series 2022 Multimodal Bonds or otherwise provide for the Purchase Price of such Series 2022 Multimodal Bonds under such Series 2022 Credit Facility shall terminate on the date specified in such notice, in which event such Series 2022 Multimodal Bonds shall be subject to purchase on a Business Day selected by the Series 2022 Paying Agent, which date shall be not more than five (5) Business Days after receipt of such notice, but in no event later than the Business Day preceding the termination date specified in the notice received from such Series 2022 Credit Facility Provider; and

F. with respect to Series 2022 Multimodal Bonds bearing interest at an Index Rate, on the Purchase Date designated by the Treasurer or any other Authorized Representative pursuant to Section 502F(4) or Section 503B.

The Series 2022 Paying Agent shall give notice by first class mail to the owners of affected Series 2022 Multimodal Bonds of each termination of a Series 2022 Credit Facility and each expiration of a Series 2022 Credit Facility making Series 2022 Multimodal Bonds subject to mandatory tender pursuant to this Section 605, which notice shall (i) state the date of such termination, substitution or expiration; (ii) state that such Series 2022 Multimodal Bonds shall be subject to mandatory tender for purchase on the specified Purchase Date at the applicable Purchase Price (which shall be specified in such notice); and (iii) be mailed by the Series 2022 Paying Agent not later than the fifteenth (15th) day prior to such Termination, substitution or expiration.

No notice need be given to the owners of any Series 2022 Multimodal Bond bearing interest at a Commercial Paper Rate of the mandatory tender for purchase of such Series 2022 Multimodal Bond on an Interest Payment Date for such Series 2022 Multimodal Bond.

Upon the expiration of the then current Term Rate Period for a series or subseries of Series 2022 Multimodal Bonds, the Series 2022 Paying Agent shall give notice by first class mail to the owner of such Series 2022 Multimodal Bonds at the address shown on the bond register not later than the fifteenth (15th) day prior to the date on which such Series 2022 Multimodal Bonds are subject to mandatory tender pursuant to this Section 605, which notice shall state that such Series 2022 Multimodal Bonds are subject to mandatory tender on the specified Purchase Date at the applicable Purchase Price (which shall be specified in such notice).

With respect to a series or subseries of Series 2022 Multimodal Bonds in an Index Rate Period, the Series 2022 Paying Agent shall give notice by first-class mail, not later than the thirtieth (30th) day prior to the date on which such Series 2022 Multimodal Bonds are subject to mandatory tender pursuant to this Section 605, which notice shall state that such Series 2022 Multimodal Bonds are subject to mandatory tender for purchase on the specified Purchase Date at the applicable Purchase Price (which Purchase Price shall be specified in such notice).

The Series 2022 Paying Agent shall give notice by first class mail within two (2) Business Days of receipt of a notice from a Series 2022 Credit Facility Provider pursuant to this Section 605, to the owners of the affected Series 2022 Multimodal Bonds at their addresses shown on the bond register, which notice shall: (1) state such Series 2022 Multimodal Bonds are subject to mandatory tender for purchase pursuant to this Section 605 at the applicable Purchase Price (which shall be specified in such notice); and (2) state the Purchase Date.

Notice of mandatory tender for purchase on the Conversion Date shall be given by the Series 2022 Paying Agent to the owners as provided in Section 503G.

Notwithstanding anything to the contrary in the General Bond Ordinance or this Supplemental Ordinance, including without limitation the provisions of this Section 605, the City may rescind any notice of mandatory tender or Conversion Notice provided to owners of the Series 2022 Multimodal Bonds pursuant to this Section 605 in connection with the substitution of a Series 2022 Credit Facility by directing the Series 2022 Paying Agent to give written notice of such rescission to owners of such Series 2022 Multimodal Bonds on or prior to the date set for such substitution and mandatory tender.

Section 606 Delivery of Tendered Series 2022 Multimodal Bonds. With respect to any Series 2022 Multimodal Bond that is in book-entry only form, delivery of such Series 2022 Multimodal Bond to the Series 2022 Paying Agent in connection with any optional or mandatory tender for purchase pursuant to Section 604 or Section 605 shall be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of the Securities Depository for such Series 2022 Multimodal Bond or any Participant of such Securities Depository to reflect the transfer of the beneficial ownership interest in such Series 2022 Multimodal Bond to the account of the Series 2022 Paying Agent, the account of the applicable Series 2022 Credit Facility Provider, or to the account of a Participant of such Securities Depository acting on behalf of the Series 2022 Paying Agent. With respect to any Series 2022 Multimodal Bond that is not in book-entry only form, delivery of such Series 2022 Multimodal Bond to the Series 2022 Paying Agent in connection with any optional or mandatory tender for purchase pursuant to Section 604 or Section 605 shall be effected by physical delivery of such Series 2022 Multimodal Bond to the Series 2022 Paying Agent at its principal office, by 1:00 p.m. (New York City time) on the Purchase Date, accompanied by an instrument of transfer thereof, in a form satisfactory to the Series 2022 Paying Agent, executed in blank by the owner thereof with the signature of such owner guaranteed in accordance with the guidelines set forth by one of the nationally recognized medallion signature programs.

Section 607 Series 2022 Multimodal Bonds Deemed Purchased. If moneys sufficient to pay the Purchase Price of Series 2022 Multimodal Bonds to be purchased pursuant to Section 604 or Section 605 shall be held by the Series 2022 Paying Agent on the applicable Purchase Date, such Series 2022 Multimodal Bonds shall be deemed to have been purchased for all purposes of this Supplemental Ordinance, irrespective of whether or not such Series 2022 Multimodal Bonds shall have been delivered to the Series 2022 Paying

Agent or transferred on the books of a Participant of the Securities Depository for such Series 2022 Multimodal Bonds, and neither the former owner or beneficial owner of such Series 2022 Multimodal Bonds nor any other person shall have any claim thereon, under this Supplemental Ordinance or otherwise, for any amount other than the Purchase Price thereof.

In the event of non-delivery of any Series 2022 Multimodal Bond to be purchased pursuant to Section 604 or Section 605, the Series 2022 Paying Agent shall segregate and hold uninvested the moneys for the Purchase Price of such Series 2022 Multimodal Bond in trust, without liability for interest thereon, for the benefit of the former owners or beneficial owners of such Series 2022 Multimodal Bond, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the Purchase Price of such Series 2022 Multimodal Bond. Any moneys that the Series 2022 Paying Agent shall segregate and hold in trust for the payment of the Purchase Price of any Series 2022 Multimodal Bond and remaining unclaimed for two (2) years after the date of purchase shall be paid automatically to the City. After the payment of such unclaimed moneys to the City, the former owner or beneficial owner of such Series 2022 Multimodal Bond shall look only to the City for the payment thereof.

Section 608 Deposit of Series 2022 Multimodal Bonds. The Series 2022 Paying Agent agrees to accept and hold all Series 2022 Multimodal Bonds delivered to it pursuant to Section 604 or Section 605 in trust for the benefit of the respective owners or beneficial owners that shall have so delivered such Series 2022 Multimodal Bonds until the Purchase Price of such Series 2022 Multimodal Bonds shall have been delivered to or for the account of or to the order of such owners or beneficial owners pursuant to Section 611. Any Series 2022 Multimodal Bonds registered for transfer to new purchasers and delivered to the Series 2022 Paying Agent as described in Section 612 shall be held in trust by the Series 2022 Paying Agent for the benefit of such new purchasers until delivery to such new purchasers.

Section 609 Remarketing of Tendered Series 2022 Multimodal Bonds.

A. Daily Put or Commercial Paper Tender Bonds.

(1) Not later than 11:00 a.m. (New York City time) on each Business Day on which the Series 2022 Paying Agent receives a notice from an owner or

beneficial owner of a Series 2022 Multimodal Bond to be tendered pursuant to Section 604 (the “Daily Put Bonds”), and on each day any Series 2022 Multimodal Bonds bearing interest at a Commercial Paper Rate are subject to mandatory tender pursuant to Section 605 (the “Commercial Paper Tender Bonds”), the Series 2022 Paying Agent shall give notice by Electronic Means to the Remarketing Agent and the City, specifying the principal amount of Series 2022 Multimodal Bonds for which it has received such notice and the names of the owner or owners thereof. The Remarketing Agent shall thereupon offer for sale and use its best efforts to find purchasers for such Daily Put Bonds or Commercial Paper Tender Bonds, other than Series 2022 Credit Facility Bonds, which shall be remarketed pursuant to Section 613.

(2) Not later than 11:30 a.m. (New York City time) on the Purchase Date described in subparagraph (1) above, the Series 2022 Paying Agent shall give notice by Electronic Means to the Remarketing Agent and the City of the accrued amount of interest payable with respect to the Daily Put Bonds or Commercial Paper Tender Bonds, as applicable, as of such Purchase Date and confirming the aggregate principal amount of the Daily Put Bonds or Commercial Paper Tender Bonds.

(3) Not later than 12:00 noon (New York City time) on any Purchase Date for Daily Put Bonds or Commercial Paper Tender Bonds, the Remarketing Agent shall give notice by Electronic Means to the City and the Series 2022 Paying Agent of the principal amount of any Daily Put Bonds or Commercial Paper Tender Bonds, as applicable, that have not been remarketed in accordance with the applicable Remarketing Agreement and its commitment to deliver funds from the Daily Put Bonds or Commercial Paper Tender Bonds that have been remarketed to the Series 2022 Paying Agent by 12:15 p.m. (New York City time) on such day pursuant to Section 610.

(4) If a Remarketing Agent’s notice pursuant to subparagraph (3) above indicates that such Remarketing Agent has on hand less remarketing proceeds than are needed to purchase all the Daily Put Bonds or Commercial Paper Tender Bonds to be purchased on any Purchase Date or if the Series 2022 Paying Agent

does not receive a notice from the Remarketing Agent pursuant to subparagraph (3) above, the Series 2022 Paying Agent shall demand payment under the applicable Series 2022 Credit Facility then in effect with respect to the tendered Bonds by 12:30 p.m. (New York City time) on such Purchase Date so as to provide by 3:00 p.m. (New York City time) on such Purchase Date an amount sufficient, together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to subparagraph (3) above, to pay the Purchase Price of the Daily Put Bonds or Commercial Paper Tender Bonds, as applicable. The Series 2022 Paying Agent shall immediately after such demand for payment give notice by Electronic Means to the City of the amount, if any, of such demand.

B. Weekly Put Bonds.

(1) Not later than 10:30 a.m. (New York City time) on each Business Day succeeding a day on which the Series 2022 Paying Agent receives a notice from an owner or beneficial owner of Series 2022 Multimodal Bonds to be tendered pursuant to Section 604 (the "Weekly Put Bonds"), the Series 2022 Paying Agent shall give notice by Electronic Means to the Remarketing Agent and the City, specifying the principal amount of Series 2022 Multimodal Bonds for which it has received such notice, the names of the owner or owners thereof and the Purchase Date. The Remarketing Agent shall thereupon offer for sale and use its best efforts to find purchasers for such Weekly Put Bonds, other than Series 2022 Credit Facility Bonds, which shall be remarketed pursuant to Section 613.

(2) Not later than 11:00 a.m. (New York City time) on the Business Day immediately preceding the Purchase Date described in subparagraph (1) above, the Series 2022 Paying Agent shall give notice by Electronic Means to the Remarketing Agent and the City of the accrued amount of interest payable with respect to the Weekly Put Bonds as of such Purchase Date and confirming the aggregate principal amount of the Weekly Put Bonds.

(3) Not later than 11:30 a.m. (New York City time) on any Purchase Date for Weekly Put Bonds, the Remarketing Agent shall give notice by Electronic Means to the City and the Series 2022 Paying Agent of the principal amount of

Weekly Put Bonds that have not been remarketed in accordance with the applicable Remarketing Agreement and its commitment to deliver funds from the Weekly Put Bonds that have been remarketed to the Series 2022 Paying Agent by 12:15 p.m. (New York City time) on the Purchase Date pursuant to Section 610.

(4) If a Remarketing Agent's notice pursuant to subparagraph (3) above indicates that such Remarketing Agent has on hand less remarketing proceeds than are needed to purchase all the Weekly Put Bonds to be purchased on any Purchase Date or if the Series 2022 Paying Agent does not receive a notice from the Remarketing Agent pursuant to subparagraph (3) above, the Series 2022 Paying Agent shall demand payment under the applicable Series 2022 Credit Facility then in effect with respect to the Weekly Put Bonds by 12:30 p.m. (New York City time) on such Purchase Date so as to provide by 3:00 p.m. (New York City time) on such Purchase Date an amount sufficient, together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to subparagraph (3) above, to pay the Purchase Price of the Weekly Put Bonds. The Series 2022 Paying Agent shall immediately after such demand for payment give notice by Electronic Means to the City of the amount, if any, of such demand.

C. Mandatory Tender Bonds.

(1) Not later than 9:30 a.m. (New York City time) on each Purchase Date occurring pursuant to Section 605 with the exception of subsection 605C, the Series 2022 Paying Agent shall give notice by Electronic Means to the Remarketing Agent and the City specifying the principal amount of all Outstanding Series 2022 Multimodal Bonds that are subject to mandatory tender on such Purchase Date pursuant to any subsection of Section 605 except subsection 605C (the "Mandatory Tender Bonds") and the names of the registered owner or owners thereof. The Remarketing Agent shall thereupon offer for sale and use its best efforts to find purchasers for such Mandatory Tender Bonds (if there is still an obligation to remarket), other than Series 2022 Credit Facility Bonds, which shall be remarketed pursuant to Section 613.

(2) Not later than 10:00 a.m. (New York City time) on each Purchase Date described in subparagraph (1) above, the Series 2022 Paying Agent shall give notice by Electronic Means to the Remarketing Agent and the City of the accrued amount of interest payable with respect to the Mandatory Tender Bonds as of the Purchase Date and confirming the aggregate principal amount of the Mandatory Tender Bonds.

(3) Not later than 11:30 a.m. (New York City time) on any Purchase Date with respect to Mandatory Tender Bonds, the Remarketing Agent shall give notice by Electronic Means to the Series 2022 Paying Agent and the City of the principal amount of Mandatory Tender Bonds that have not been remarketed in accordance with the Remarketing Agreement and its written commitment to deliver funds from the Mandatory Tender Bonds that have been remarketed to the Series 2022 Paying Agent by 12:15 p.m. (New York City time) on the Purchase Date pursuant to Section 610.

(4) If a Remarketing Agent's notice pursuant to subparagraph (3) above indicates that such Remarketing Agent has on hand less remarketing proceeds than are needed to purchase all the Mandatory Tender Bonds to be purchased on such Purchase Date or if the Series 2022 Paying Agent does not receive a notice from the Remarketing Agent pursuant to subparagraph (3) above, the Series 2022 Paying Agent shall demand payment under the applicable Series 2022 Credit Facility then in effect with respect to the Mandatory Tender Bonds by 12:30 p.m. (New York City time) on such Purchase Date so as to provide by 3:00 p.m. (New York City time) on such Purchase Date an amount sufficient, together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to subparagraph (3) above, to pay the Purchase Price of the Mandatory Tender Bonds. The Series 2022 Paying Agent shall immediately after such demand for payment give notice to the City of the amount, if any, of such demand.

D. Optional City Deposit. If a Remarketing Agent's notice pursuant to subparagraph 609A(3), 609B(3) or 609C(3) above indicates that such Remarketing Agent has remarketed less than all the Daily Put Bonds, Commercial Paper Tender Bonds, Weekly Put Bonds, or Mandatory Tender Bonds to be purchased on any Purchase Date and the Series 2022 Paying Agent does not receive sufficient funds from, or has received notice from a Series 2022 Credit Facility Provider that it will not provide sufficient funds from, draws on the applicable Series 2022 Credit Facility to pay the Purchase Price of all such Series 2022 Multimodal Bonds that have not been remarketed by 12:15 p.m. (New York City time) on the Purchase Date, the Series 2022 Paying Agent shall immediately (but in no event later than 2:30 p.m. (New York City time)) give notice by Electronic Means to the City specifying the principal amount and the Purchase Price of such Series 2022 Multimodal Bonds for which moneys will not be available in the Series 2022 Bond Purchase Fund and requesting the City to deposit with the Series 2022 Paying Agent as soon as possible on such Purchase Date, preferably by 3:00 p.m. (New York City time), an amount sufficient to pay that portion of the Purchase Price for which moneys will not be available in the Series 2022 Bond Purchase Fund, such notice to be confirmed immediately by Electronic Means to the Series 2022 Paying Agent by the City. Such deposit by the City shall be at the option of the City.

E. Limitations. The Remarketing Agent shall remarket the Series 2022 Multimodal Bonds, as provided herein, at not less than the Purchase Price thereof, except for Series 2022 Credit Facility Bonds, which shall be remarketed pursuant to Section 613.

Section 610 Deposits into Accounts in the Series 2022 Bond Purchase Fund. The terms of any sale by a Remarketing Agent of any Series 2022 Multimodal Bond tendered or deemed tendered for purchase pursuant to Section 604 or Section 605 shall provide for the payment of the Purchase Price for such tendered or deemed tendered Series 2022 Multimodal Bond by such Remarketing Agent to the Series 2022 Paying Agent for deposit in the Series 2022 Remarketing Account of the Series 2022 Bond Purchase Fund in immediately available funds at or before 12:15 p.m. (New York City time) on the Purchase Date. The Remarketing Agent shall cause to be paid to the Series 2022 Paying Agent on each Purchase Date for tendered or deemed tendered Series 2022 Multimodal Bonds all amounts representing proceeds of the remarketing of such Series 2022 Multimodal Bonds, based upon the notice given by the Remarketing Agent pursuant to Section 609A(3), Section 609B(3), Section 609C(3), as the case may be. All such amounts shall be deposited in the Series 2022 Remarketing Account.

The Series 2022 Paying Agent shall deposit in the Series 2022 Credit Facility Purchase Account all amounts received under a Series 2022 Credit Facility pursuant to Section 609A(4), Section 609B(4) or Section 609C(4), as the case may be, and related to the Series 2022 Multimodal Bonds.

Upon receipt of any notice from the Series 2022 Paying Agent pursuant to Section 609D that insufficient funds will be on deposit in the Series 2022 Bond Purchase Fund to pay the full Purchase Price of all Series 2022 Multimodal Bonds to be purchased on a Purchase Date, the City shall, at its option, deliver or cause to be delivered to the Series 2022 Paying Agent immediately available funds in an amount equal to such deficiency prior to 3:00 p.m. (New York City time) on the Purchase Date. All such funds shall be deposited in the Series 2022 City Account.

The Series 2022 Paying Agent shall hold amounts in the Series 2022 Bond Purchase Fund uninvested.

Section 611 Disbursements From the Series 2022 Bond Purchase Fund.

A. Application of Moneys. Moneys in the Series 2022 Bond Purchase Fund (other than the proceeds of any remarketing of Series 2022 Credit Facility Bonds, which shall be paid to the applicable Series 2022 Credit Facility Provider on the remarketing date) shall be applied at or before 3:00 p.m. (New York City time) to the purchase of Series 2022 Multimodal Bonds as provided herein by the Series 2022 Paying Agent, on each Purchase Date, as follows:

(1) First - Moneys constituting funds in the Series 2022 Remarketing Account shall be used by the Series 2022 Paying Agent on any Purchase Date to purchase Series 2022 Multimodal Bonds tendered or deemed tendered for purchase pursuant to Section 604 or Section 605 at the Purchase Price.

(2) Second - In the event such moneys in the Series 2022 Remarketing Account on any Purchase Date are insufficient to purchase all Series 2022 Multimodal Bonds tendered or deemed tendered for purchase pursuant to Section 604 or Section 605 on such Purchase Date, moneys in the Series 2022 Credit Facility Purchase Account on such Purchase Date shall be used by the Series

2022 Paying Agent at that time to purchase such remaining Series 2022 Multimodal Bonds at the Purchase Price thereof.

(3) Third - If the amount of money in any Series 2022 Remarketing Account and Series 2022 Credit Facility Purchase Account, if applicable, on any Purchase Date is insufficient to pay in full the Purchase Price of all Series 2022 Multimodal Bonds tendered or deemed tendered for purchase pursuant to Section 604 or Section 605 on such Purchase Date, moneys in the Series 2022 City Account on such Purchase Date, if any, shall be used by the Series 2022 Paying Agent at that time to purchase such remaining Series 2022 Multimodal Bonds at the Purchase Price thereof.

Notwithstanding anything to the contrary in this Section, if the Series 2022 Multimodal Bonds tendered or deemed tendered for purchase pursuant to Section 604 or Section 605 are in book-entry only entry form, payment of the Purchase Price of such Series 2022 Multimodal Bonds shall be made in accordance with the rules and procedures of the applicable Securities Depository.

B. Nondeliveries. The Series 2022 Paying Agent shall, as to any Series 2022 Multimodal Bonds that are not in book-entry only form and that have not been delivered to it as required by Section 606, (i) notify the Remarketing Agent in writing of such nondelivery and (ii) place a stop transfer against an appropriate amount of Series 2022 Multimodal Bonds registered in the name of the owner of such Series 2022 Multimodal Bonds on the bond register. The Series 2022 Paying Agent shall place and maintain such stop transfer commencing with the lowest serial number Series 2022 Multimodal Bond registered in the name of such owner until stop transfers have been placed against an appropriate amount of Series 2022 Multimodal Bonds until the appropriate Series 2022 Multimodal Bonds are delivered to the Series 2022 Paying Agent as required by Section 606. Upon such delivery, the Series 2022 Paying Agent shall make any necessary adjustments to the bond register.

C. Insufficient Funds. Except as set forth in this Section 611C with respect to any Series 2022 Multimodal Bonds bearing interest in an Index Rate Period or a Term Rate Period and not supported by a Series 2022 Credit Facility, if sufficient funds are not available for the purchase of all Bonds of a series or subseries of Series 2022 Multimodal

Bonds tendered or deemed tendered on any Purchase Date, all Series 2022 Multimodal Bonds of such series or subseries shall be tendered to the Series 2022 Credit Facility Provider at a deemed purchase price equal to 100% of the principal amount of such Series 2022 Multimodal Bonds and thereafter shall constitute Series 2022 Credit Facility Bonds under the Series 2022 Credit Facility and bear interest and be subject to redemption as set forth in the Series 2022 Credit Facility. Notwithstanding any other provision of this Supplemental Ordinance, such failed purchase and tender shall not constitute an Event of Default.

For any series or subseries of Series 2022 Multimodal Bonds bearing interest in an Index Rate Period or a Term Rate Period and not supported by a Series 2022 Credit Facility, if sufficient funds are not available for the purchase of all such series or subseries of Series 2022 Multimodal Bonds tendered or deemed tendered and required to be purchased on the Purchase Date following the end of the applicable Index Rate Period or Term Rate Period, all Series 2022 Multimodal Bonds of such series or subseries shall bear interest at a rate of interest equal to the Stepped Rate from such Failed Tender Date until all such Series 2022 Multimodal Bonds are purchased as required in accordance with this Supplemental Ordinance, such rate to be determined in accordance with Section 505, and all tendered Series 2022 Multimodal Bonds of such series or subseries shall be returned to their respective owners. Notwithstanding anything to the contrary in this Supplemental Ordinance, if the Stepped Rate is based on the SIFMA Swap Index, such Series 2022 Multimodal Bonds shall automatically convert to a Weekly Rate Period at the Stepped Rate and shall not be subject to optional tender pursuant to Section 604. No Opinion of Bond Counsel shall be required in connection with this automatic adjustment to a Weekly Rate Period. Notwithstanding any other provision of this Supplemental Ordinance, such failed purchase and return shall not constitute an Event of Default. In addition, the Remarketing Agent shall remain obligated to remarket such series or subseries of Series 2022 Multimodal Bonds and such series or subseries of Series 2022 Multimodal Bonds bearing interest at a Stepped Rate shall remain subject to optional and mandatory redemption, mandatory tender for purchase, and Conversion as provided in this Supplemental Ordinance.

Section 612 Delivery of Series 2022 Multimodal Bonds. If the Series 2022 Multimodal Bonds are not in book-entry only form, a principal amount of Series 2022

Multimodal Bonds equal to the amount of Series 2022 Multimodal Bonds successfully remarketed by each Remarketing Agent shall be delivered to the Series 2022 Paying Agent for registration or transfer to such persons as shall be designated by the Remarketing Agent. Such Series 2022 Multimodal Bonds shall be held available at the office of the Series 2022 Paying Agent and shall be picked up at a location designated by the Series 2022 Paying Agent by the applicable Remarketing Agent at or after 1:00 p.m. (New York City time) on the Purchase Date against delivery of funds for deposit into the Series 2022 Remarketing Account of the Series 2022 Bond Purchase Fund equal to the Purchase Price of the Series 2022 Multimodal Bonds that have been remarketed. If the Series 2022 Multimodal Bonds are in book entry, transfer of ownership of the remarketed Series 2022 Multimodal Bonds shall be effected in accordance with the procedures of the applicable Securities Depository against delivery of funds for deposit into the Series 2022 Remarketing Account of the Series 2022 Bond Purchase Fund equal to the Purchase Price of Series 2022 Multimodal Bonds that have been remarketed.

Any Series 2022 Multimodal Bonds purchased with funds in the Series 2022 Credit Facility Purchase Account of the Series 2022 Bond Purchase Fund shall be delivered and held in accordance with Section 613. Any Series 2022 Multimodal Bonds purchased with funds in the Series 2022 City Account of the Series 2022 Bond Purchase Fund shall be delivered and held in accordance with the written instructions of the City furnished to the Series 2022 Paying Agent. Such Series 2022 Multimodal Bonds shall be held available for registration of transfer and delivery by the Series 2022 Paying Agent in such manner as may be agreed between the Series 2022 Paying Agent and the applicable Series 2022 Credit Facility Provider or the City, as the case may be.

Section 613 Credit Facility; Series 2022 Credit Facility Bonds. Unless all the Outstanding Bonds of any series or subseries of Series 2022 Multimodal Bonds are Series 2022 Credit Facility Bonds or bear interest at a Fixed Rate, or at a Term Rate or an Index Rate not intended to be supported by a Series 2022 Credit Facility, the City shall provide, or cause to be provided, to the Series 2022 Paying Agent a Series 2022 Credit Facility for such series or subseries of Series 2022 Multimodal Bonds. The City shall have the option, but shall not be required, to provide a Series 2022 Credit Facility to the Series 2022 Paying Agent for any series or subseries of Series 2022 Multimodal Bonds bearing interest at a Term Rate or an Index Rate. Except as otherwise provided herein, the City shall not reduce the amount of a Series 2022 Credit Facility without obtaining a Rating Confirmation with respect to such action. Additionally, the City shall not permit a substitution of a Series 2022 Credit Facility Provider without subjecting the Series 2022 Multimodal Bonds affected thereby to mandatory purchase pursuant to Section 605B. Each Series 2022 Credit Facility and each substitute Series 2022 Credit Facility shall include provisions that are consistent with the timing requirements of this Supplemental Ordinance. The City shall have the right at any time to provide, pursuant to Section 614, a substitute Series 2022 Credit Facility for any Series 2022 Credit Facility then in effect. If there shall have been delivered to the Series 2022 Paying Agent (i) a substitute Series 2022 Credit Facility meeting the requirements of Section 614 and (ii) the opinions and documents required by Section 614, then the Series 2022 Paying Agent shall accept such substitute Series 2022 Credit Facility and, if so directed by the City in writing, on or after the effective date of such substitute Series 2022 Credit Facility promptly surrender the Series 2022 Credit Facility being so substituted in accordance with the respective terms thereof for cancellation; provided the Series 2022 Paying Agent shall not surrender any Series 2022 Credit Facility until all draws or requests to purchase Series 2022 Multimodal Bonds made under such Series 2022 Credit Facility have been honored in accordance with the terms thereof, including all draws required to be made in connection with such substitution. In the event that the City elects to provide a substitute Series 2022 Credit Facility, the affected Series 2022 Multimodal Bonds shall be subject to the mandatory tender provisions of Section 605B. Notwithstanding the foregoing, if at any time there shall cease to be any Bonds of any series of Series 2022 Multimodal Bonds Outstanding or if all the Outstanding Bonds of any series of Series 2022 Multimodal Bonds have been converted to a Fixed Rate, an Index Rate or a Term Rate not intended to be supported by a Series 2022 Credit Facility, or a Series 2022 Credit Facility shall be terminated pursuant to its terms, the Series 2022 Paying Agent shall promptly surrender such Series 2022 Credit Facility in accordance with its terms for cancellation. The Series 2022 Paying Agent shall comply with the procedures set forth in each Series 2022 Credit Facility relating to the termination thereof. The termination or suspension of a Series 2022 Credit Facility shall not affect the provisions of this Section obligating the City to provide a Series 2022 Credit Facility to the Series 2022 Paying Agent.

Notwithstanding anything to the contrary in this Supplemental Ordinance, including without limitation the provisions of this Section, any reduction in the amount of a Series 2022 Credit Facility with respect to a series of Series 2022 Multimodal Bonds may occur: (i) without a

Rating Confirmation or a mandatory purchase of such Series 2022 Multimodal Bonds in conjunction with the payment of a portion of the principal of such series of Series 2022 Multimodal Bonds pursuant to this Supplemental Ordinance or in conjunction with a redemption or defeasance of all or a portion of such series of Series 2022 Multimodal Bonds pursuant to this Supplemental Ordinance; or (ii) without a Rating Confirmation in connection with the mandatory purchase of all or a portion of such series of Series 2022 Multimodal Bonds by the applicable Series 2022 Credit Facility Provider upon (A) the Conversion of the interest mode of such Series 2022 Multimodal Bonds to a rate that is not supported by such Series 2022 Credit Facility, (B) the occurrence of the stated expiration of the such Series 2022 Credit Facility or (C) the passage of a period of time specified in the Series 2022 Credit Facility following the occurrence of an event of default specified in the Series 2022 Credit Facility.

In the event that a Series 2022 Credit Facility is in effect, the Series 2022 Paying Agent shall make a demand for payment under such Series 2022 Credit Facility, subject to and in accordance with its terms, in order to receive payment thereunder on each Purchase Date as provided in Section 609A(4), Section 609B(4) or Section 609C(4), as applicable.

Each such demand for payment shall be made pursuant to and in accordance with this Supplemental Ordinance. The Series 2022 Paying Agent shall give notice of each such demand for payment to the City at the time of each such demand. The proceeds of each such demand shall be deposited in the Series 2022 Credit Facility Purchase Account within the Series 2022 Bond Purchase Fund and used in the order of priority established by Section 611. At the time of making any demand under a Series 2022 Credit Facility pursuant to the paragraph immediately above, the Series 2022 Paying Agent shall direct the applicable Series 2022 Credit Facility Provider to pay the proceeds of such demand directly to the Series 2022 Paying Agent for deposit in the Series 2022 Credit Facility Purchase Account. The Series 2022 Paying Agent shall comply with all provisions of each Series 2022 Credit Facility in order to realize upon any demand for payment thereunder, and will not demand payment under any Series 2022 Credit Facility of any amounts for payment of:(i) Series 2022 Credit Facility Bonds; or (ii) Series 2022 Multimodal Bonds held by the City or actually known by the Series 2022 Paying Agent to be held by any affiliate of the City or any nominee of the City unless such Series 2022 Credit Facility specifically permits such demand.

Any Series 2022 Multimodal Bonds purchased with payments made under a Series 2022 Credit Facility pursuant to the paragraph above shall constitute Series 2022 Credit Facility Bonds and shall be registered in the name of, or as otherwise directed in writing by, the applicable Series 2022 Credit Facility Provider and delivered to or upon the order of, or as otherwise directed in writing by, such Series 2022 Credit Facility Provider.

Unless otherwise provided in a Series 2022 Credit Facility, Series 2022 Credit Facility Bonds shall be remarketed by the applicable Remarketing Agent prior to any other Series 2022 Multimodal Bonds of such series or subseries tendered for purchase pursuant to Section 604 or Section 605 and shall be remarketed in accordance with the terms of the applicable Remarketing Agreement. Upon (i) receipt by the City and the Series 2022 Paying Agent of written notification from a Series 2022 Credit Facility Provider that a Series 2022 Credit Facility has been fully reinstated with respect to principal and interest and (ii) release by the applicable Series 2022 Credit Facility Provider of any Series 2022 Credit Facility Bonds that the Remarketing Agent has remarketed, such Series 2022 Multimodal Bonds shall be made available to the purchasers thereof and shall no longer constitute Series 2022 Credit Facility Bonds for purposes of this Supplemental Ordinance. The proceeds of any remarketing of Series 2022 Credit Facility Bonds shall be paid to the applicable Series 2022 Credit Facility Provider by the Series 2022 Paying Agent on such remarketing date in immediately available funds with interest on the sale price being calculated as if such Bond were not a Series 2022 Credit Facility Bond; provided, however, if all such Bonds are Series 2022 Credit Facility Bonds, at par plus accrued interest, and the remarketing date will be considered an Interest Payment Date.

Each of the City and the Series 2022 Paying Agent agrees that it will, promptly upon receipt, send to the applicable Series 2022 Credit Facility Provider (by Electronic Means) a copy of every notice received by it hereunder relating to any Series 2022 Credit Facility Bonds.

Notwithstanding anything to the contrary herein or in the Series 2022 Multimodal Bonds, all obligations of the City under or in connection with any Series 2022 Credit Facility (including, without limitation, payment of any Series 2022 Credit Facility Bonds and any Obligations under any Series 2022 Credit Facility) shall be governed by the terms of the applicable Series 2022 Credit Facility.

The Series 2022 Paying Agent shall provide to the Remarketing Agent and to each Rating Agency then rating any series of Series 2022 Multimodal Bonds written notice of the extension of any Series 2022 Credit Facility in effect with respect to such series of Series 2022 Multimodal Bonds.

Whenever requested in writing by the City, the Series 2022 Paying Agent shall submit to the applicable Series 2022 Credit Facility Provider a reduction certificate or other appropriate documentation necessary under the applicable Series 2022 Credit Facility to reduce the principal amount of any Series 2022 Multimodal Bonds and related interest to reflect any purchase or redemption of such Series 2022 Multimodal Bonds by the City and the cancellation of such Series 2022 Multimodal Bonds.

If at any time any Rating Agency reduces the short-term ratings of a Series 2022 Credit Facility Provider below "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch, the City shall use its best efforts to replace such Series 2022 Credit Facility Provider.

Section 614 <u>Substitute Credit Facility Instruments</u>. So long as any Series 2022 Multimodal Bonds bear interest at a Variable Rate other than an Index Rate or Term Rate not supported by a Series 2022 Credit Facility or a Fixed Rate, on or prior to the expiration or termination of any existing Series 2022 Credit Facility, including any renewals or extensions thereof (other than an expiration of such Series 2022 Credit Facility at the final maturity of the Series 2022 Multimodal Bonds to which the Series 2022 Credit Facility relates), the City shall provide to the Series 2022 Paying Agent (with a copy to the applicable Remarketing Agent) a renewal or extension of the term of the existing Series 2022 Credit Facility for such series of Series 2022 Multimodal Bonds or a substitute Series 2022 Credit Facility meeting the requirements set forth below.

The City may at any time provide a substitute Series 2022 Credit Facility in accordance with the provisions hereof and upon delivery to the Series 2022 Paying Agent of the items specified below.

Any such substitute Series 2022 Credit Facility must meet the following conditions:

A. The obligations of the Series 2022 Credit Facility Provider under the substitute Series 2022 Credit Facility to purchase such Series 2022 Multimodal Bonds or otherwise provide for the Purchase Price of such Series 2022 Multimodal Bonds tendered or deemed tendered pursuant to Section 604 or Section 605 shall not be subject to suspension or termination on less than fifteen (15) days' notice to the City and the Series

2022 Paying Agent; provided, however, that the obligations of a Series 2022 Credit Facility Provider to purchase Series 2022 Multimodal Bonds or otherwise provide for the Purchase Price of such Series 2022 Multimodal Bonds may be immediately suspended or terminated (A) without such notice upon the occurrence of such events as may be provided in a Series 2022 Credit Facility and that are disclosed to the owners of such Series 2022 Multimodal Bonds in connection with the provision of such Series 2022 Credit Facility or, (B) if applicable, upon the remarketing of such Series 2022 Multimodal Bonds upon the mandatory tender thereof as a result of provision of such substitute Series 2022 Credit Facility pursuant to Section 605B;

B. the substitute Series 2022 Credit Facility must take effect on or before the Purchase Date for the Series 2022 Multimodal Bonds established pursuant to Section 605B; and

C. the substitute Series 2022 Credit Facility must be in an amount sufficient to pay the maximum Purchase Price of the affected Series 2022 Multimodal Bonds that will be applicable during the Rate Period commencing on such substitution.

On or prior to the date of the delivery of a substitute Series 2022 Credit Facility to the Series 2022 Paying Agent pursuant to this Section, the City shall cause to be furnished to the Series 2022 Paying Agent (i) an Opinion of Bond Counsel addressed to the Series 2022 Paying Agent to the effect that the delivery of such substitute Series 2022 Credit Facility to the Series 2022 Paying Agent is authorized under this Supplemental Ordinance and complies with the terms hereof and will not, in and of itself, adversely affect the Tax-Exempt status of interest on the affected Series 2022 Multimodal Bonds issued as Tax-Exempt Series 2022 Bonds and (ii) an opinion or opinions of counsel to the Series 2022 Credit Facility Provider for such substitute Series 2022 Credit Facility addressed to the City and the Series 2022 Paying Agent, to the effect that the substitute Series 2022 Credit Facility has been duly authorized, executed and delivered by the applicable Series 2022 Credit Facility Provider and constitutes the valid, legal and binding obligation of such Series 2022 Credit Facility Provider enforceable against such Series 2022 Credit Facility Provider in accordance with its terms.

The Series 2022 Paying Agent shall give notice by first class mail to the owners of the affected Series 2022 Multimodal Bonds of the proposed substitution of a Series 2022 Credit Facility not later than the fifteenth (15th) day prior to the substitution date.

Notwithstanding anything to the contrary in this Supplemental Ordinance, including this Section 614, a new Series 2022 Credit Facility may not be substituted for an existing Series 2022 Credit Facility that is in the form of a letter of credit unless a mandatory tender and purchase of all of the Series 2022 Multimodal Bonds of the Series supported by the existing letter of credit occurs.

Notwithstanding anything to the contrary in this Supplemental Ordinance, including without limitation the provisions of this Section 614, in connection with the substitution, pursuant to the terms of this Supplemental Ordinance, of a Series 2022 Credit Facility providing support for any series or subseries of Series 2022 Multimodal Bonds bearing interest at the Weekly Rate, the Weekly Rate with respect to such series or subseries of Series 2022 Multimodal Bonds for the first Calendar Week (or portion thereof) following such substitution shall be set by the applicable Remarketing Agent on the Business Day immediately preceding the date of such substitution. Such Weekly Rate will be effective only if the substitution is effected.

Notwithstanding anything contained herein to the contrary, an Authorized Representative is hereby authorized, without further approval of the Council, to (i) extend or modify the terms of any Series 2022 Credit Facility, bond insurance policy, Paying Agent and Bonds Registrar Agreement, Bond Purchase Agreement or other agreement approved hereby; and (ii) execute and deliver any additional agreements, including, but not limited to, one or more Series 2022 Credit Facilities or substitute Series 2022 Credit Facilities, Remarketing Agreements, Paying Agent and Bonds Registrar Agreements, Bond Purchase Agreements, continuing disclosure agreements, any agreement with any bond insurer or other agreement approved hereby or required in connection with the Series 2022 Bonds or subseries thereof issued as Series 2022 Multimodal Bonds; provided that any such modified, extended, additional, or substitute agreement (i) shall be entered into for and on behalf of the Department, (ii) shall obligate only Airport System funds, (iii) shall be with existing parties or parties selected in accordance with the City's established policies, and (iv) shall, in the judgment of the Authorized Representative, be in commercially customary form. The effectiveness of any execution, extension, modification or replacement of any agreement or instrument as contemplated in this paragraph shall be contingent upon the receipt by an Authorized Representative of a Favorable Opinion of Bond Counsel with respect to such proposed action. An Authorized Representative is hereby authorized, in connection with any remarketing or conversion of the Series 2022 Bonds or subseries thereof issued as Series 2022 Multimodal Bonds and without further approval of the

Council, to approve one or more preliminary official statements and one or more official statements in substantially the form of the preliminary official statement as filed with the Clerk in connection with the Series 2022 Bonds, with the necessary omissions, insertions, endorsements and variations as may be required by the circumstances.

Section 615 Remarketing Agents for the Series 2022 Multimodal Bonds. The City shall appoint and employ, no later than 30 days before the initial Purchase Date or Conversion of a series or subseries of Series 2022 Multimodal Bonds, a Remarketing Agent for Series 2022 Multimodal Bonds of such series or subseries. All references in this Supplemental Ordinance to the term “Remarketing Agent” shall mean the one or more banks, trust companies or members of the National Association of Securities Dealers Inc. appointed by the City to perform the duties and obligations of the Remarketing Agent hereunder with respect to the Series 2022 Multimodal Bonds, or any subseries thereof; provided that any such bank, trust company or member of the National Association of Securities Dealers, Inc. so appointed shall be organized and doing business under the laws of any state of the United States of America and shall have, together with its parent, if any, a capitalization of at least fifteen million dollars ($15,000,000) as shown in its or its parent’s most recently published annual report. The City shall execute and deliver to each Remarketing Agent a Remarketing Agreement, which shall designate the series or subseries of Series 2022 Multimodal Bonds for which it shall act as Remarketing Agent and the Remarketing Agent’s principal office and in which such Remarketing Agent shall agree: (i) to perform the duties and comply with the requirements imposed upon it by such Remarketing Agreement and this Supplemental Ordinance; and (ii) to keep such books and records with respect to its activities as Remarketing Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by each of the City and the Series 2022 Paying Agent at all reasonable times.

ARTICLE VII
PURCHASE OF SERIES 2022 MULTIMODAL BONDS AT DIRECTION OF CITY

Section 701 Mandatory Tender for Purchase of Series 2022 Multimodal Bonds at the Direction of City. In addition to the provision relating to the mandatory tender for purchase of Series 2022 Multimodal Bonds pursuant to Section 605, the Series 2022 Multimodal Bonds, or any of them, shall be subject to mandatory tender for purchase by the City, in whole or in part (such that the portion that is subject to mandatory tender for purchase pursuant to this Section 701 and the portion not subject to such mandatory tender shall each be in an Authorized Denomination), at the applicable Optional Purchase Price on each Optional Purchase Date. In the event that the City determines to purchase any Series 2022 Multimodal Bonds on any Optional Purchase Date, the City shall provide the Series 2022 Paying Agent with written notice of such determination at least thirty-five (35) days prior to the Optional Purchase Date, which notice shall specify the series or subseries of Series 2022 Multimodal Bonds and the principal amount of such Series 2022 Multimodal Bonds of each maturity that are to be purchased and the Optional Purchase Date on which such purchase is to occur.

When the Series 2022 Paying Agent shall receive notice from the City of its determination to purchase Series 2022 Multimodal Bonds pursuant to the above paragraph, the Series 2022 Paying Agent shall give notice, in the name of the City, of the mandatory tender for purchase of such Series 2022 Multimodal Bonds, which notice shall be mailed, by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days before the Optional Purchase Date to the owners of any Series 2022 Multimodal Bonds or portions of Series 2022 Multimodal Bonds to be purchased at their addresses appearing in the bond register, with a copy to the applicable Remarketing Agent. Such notice shall specify the series or subseries of Series 2022 Multimodal Bonds and the maturities of such Series 2022 Multimodal Bonds to be purchased, the Optional Purchase Date, the Optional Purchase Price and the place or places where the Optional Purchase Price due upon such tender for purchase shall be payable and, if less than all of the Series 2022 Multimodal Bonds of any series or subseries and like maturity are to be purchased, the letters and numbers or other distinguishing marks of such Series 2022 Multimodal Bonds so to be purchased, and, in the case of Series 2022 Multimodal Bonds to be purchased in part only, such notice shall also specify the respective portions of the principal amount thereof to be purchased. Such notice shall further state that on such Optional Purchase Date there shall become due and payable upon each Series 2022 Multimodal Bond to be purchased, the Optional Purchase Price thereof, or the Optional Purchase Price of the specified portions of the principal amount thereof to be purchased in the case of Series 2022 Multimodal Bonds to be purchased in part only, and that from and after such Optional Purchase Date interest on such Series 2022 Multimodal Bond for the benefit of the current owner of such Series 2022 Multimodal Bond or the portion of such Series 2022 Multimodal Bond to be purchased shall cease to accrue and be payable.

Receipt of such notice of mandatory tender for purchase shall not be a condition precedent to the mandatory tender for purchase of the Series 2022 Multimodal Bonds and failure of any owner of a Series 2022 Multimodal Bond to receive any such notice or any defect in such notice shall not affect the validity of the proceedings for the mandatory tender for purchase of the Series 2022 Multimodal Bonds pursuant to this Section.

If at the time the Series 2022 Paying Agent sends any notice of mandatory tender for purchase of the Series 2022 Multimodal Bonds pursuant to this Section, the City has not deposited with the Series 2022 Paying Agent an amount sufficient to pay the full Optional Purchase Price of the Series 2022 Multimodal Bonds, or the portions thereof, to be purchased, such notice shall state that such mandatory tender for purchase is conditional upon the receipt by the Series 2022 Paying Agent on or prior to the Optional Purchase Date fixed for such purchase of moneys sufficient to pay the Optional Purchase Price of such Series 2022 Multimodal Bonds, or the portions thereof to be purchased, and that if such moneys shall not have been so received said notice shall be of no force and effect and the City shall not be required to purchase such Series 2022 Multimodal Bonds. In the event that such notice of mandatory tender for purchase contains such a condition and such moneys are not so received, no purchase of the Series 2022 Multimodal Bonds identified in the notice of mandatory tender for purchase shall be made and the Series 2022 Paying Agent shall, within a reasonable time thereafter, give notice, to the Remarketing Agent and to the persons and in the manner in which the notice of tender was given, that such moneys were not so received and that there will be no purchase of Series 2022 Multimodal Bonds pursuant to the notice of mandatory tender for purchase.

If less than all of the Outstanding Series 2022 Multimodal Bonds of any series or subseries are to be called for mandatory tender for purchase pursuant to this Section, the principal amount and maturity of such Series 2022 Multimodal Bonds to be purchased shall be selected by the City in its sole discretion. If less than all of any series or subseries of Series 2022 Multimodal Bonds of like maturity shall be called for mandatory tender for purchase pursuant this Section, except as otherwise provided in a representation letter, the particular Series 2022 Multimodal Bonds or portions of Series 2022 Multimodal Bonds to be purchased shall be selected at random by the Series 2022 Paying Agent in such manner as the Series 2022 Paying Agent in its discretion may deem fair and appropriate; provided, however, that in selecting portions of Series 2022 Multimodal Bonds for purchase, the Series 2022 Paying Agent shall treat each Series 2022 Multimodal Bond of the same series or subseries as representing that number of Series 2022 Multimodal Bonds of the minimum Authorized Denomination for the Series 2022 Multimodal Bonds that is obtained by dividing the principal amount of such Series 2022 Multimodal Bond by the minimum Authorized Denomination for the Series 2022 Multimodal Bonds. For purposes of such selection, the Taxable Series 2022 Multimodal Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. Notwithstanding the foregoing, if less than all of the Taxable Series 2022 Multimodal Bonds bearing the same rate and maturing on any fixed maturity date are called for prior redemption at the City's option, the particular Taxable Series 2022 Multimodal Bonds or portions thereof to be redeemed shall be allocated on a pro rata pass-through distribution of principal basis in accordance with Securities Depository procedures, provided that, so long as the Taxable Series 2022 Multimodal Bonds are held in book-entry form, the selection for redemption of such Taxable Series 2022 Multimodal Bonds shall be made in accordance with the operational arrangements of Securities Depository then in effect, and, if the Securities Depository operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Taxable Series 2022 Multimodal Bonds will be selected for redemption, in accordance with Securities Depository procedures, by lot.

Section 702 Delivery of Tendered Series 2022 Multimodal Bonds. With respect to any Series 2022 Multimodal Bond that is in book-entry only form, delivery of such Series 2022 Multimodal Bond to the Series 2022 Paying Agent in connection with any mandatory tender for purchase pursuant to Section 701 shall be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of the Securities Depository for such Series 2022 Multimodal Bond or any Participant thereof to reflect the transfer of the beneficial ownership interest in such Series 2022 Multimodal Bond to the account of the Series 2022 Paying Agent, on behalf of the City, or to the account of a Participant acting on behalf of the City. With respect to any Series 2022 Multimodal Bond that is not in book-entry only form, delivery of such Series 2022 Multimodal Bond to the Series 2022 Paying Agent in connection with any mandatory tender for purchase pursuant to Section 701 shall be effected by physical delivery of such Series 2022 Multimodal Bond to the Series 2022 Paying Agent at its principal office, by 1:00 p.m. (New York City time) on the Optional Purchase Date, accompanied by an instrument of transfer thereof, in a form satisfactory to the Series 2022 Paying Agent, executed in blank by the owner thereof with the signature of such owner guaranteed in accordance with the guidelines set forth by one of the nationally recognized medallion signature programs.

Section 703 Series 2022 Multimodal Bonds Deemed Purchase. If moneys sufficient to pay the Optional Purchase Price of Series 2022 Multimodal Bonds to be purchased pursuant to Section 701 on an Optional Purchase Date shall be held by the Series 2022 Paying Agent in the Series 2022 Remarketing Account or another account created therefor on such Optional Purchase Date, such Series 2022 Multimodal Bonds shall be deemed to have been purchased for all purposes of this Supplemental Ordinance, irrespective of whether or not such Series 2022 Multimodal Bonds shall have been delivered to the Series 2022 Paying Agent or transferred on the books of the Securities Depository for the Series 2022 Multimodal Bonds, and neither the former owner or former Beneficial owner of such Series 2022 Multimodal Bonds nor any other person shall have any claim thereunder, under this Supplemental Ordinance or otherwise, for any amount other than the Optional Purchase Price thereof.

In the event of non-delivery of any Series 2022 Multimodal Bond to be purchased pursuant to Section 701, the Series 2022 Paying Agent shall segregate and hold uninvested the moneys for the Optional Purchase Price of such Series 2022 Multimodal Bond in trust, without liability for interest thereon, for the benefit of the former owners or beneficial owners of such Series 2022 Multimodal Bond, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the Optional Purchase Price of such Series 2022 Multimodal Bond. Any moneys that the Series 2022 Paying Agent shall segregate and hold in trust for the payment of the Optional Purchase Price of any Series 2022 Multimodal Bond remaining unclaimed for two (2) years after the Optional Purchase Date shall be paid automatically to the City. After the payment of such unclaimed moneys to the City, the former owner or former beneficial owner of such Series 2022 Multimodal Bond shall look only to the City for the payment thereof.

Section 704 Deposit of Series 2022 Multimodal Bonds. The Series 2022 Paying Agent agrees to accept and hold all Series 2022 Multimodal Bonds delivered to it pursuant to Section 701 in trust for the benefit of the respective owners or beneficial owners that shall have so delivered such Series 2022 Multimodal Bonds until the Optional Purchase Price of such Series 2022 Multimodal Bonds shall have been delivered to or for the account of or to the order of such owners or beneficial owners pursuant to Section 705. Any Series 2022 Multimodal Bonds purchased pursuant to Section 701 and registered for transfer to the Series 2022 Paying Agent shall be held in trust by the Series 2022 Paying Agent for the benefit of the City until delivery to the City.

Section 705 Payment of Optional Purchase Price of Series 2022 Multimodal Bonds. Moneys held by the Series 2022 Paying Agent for the payment of the Optional Purchase Price of Series 2022 Multimodal Bonds subject to mandatory tender for purchase pursuant to Section 701 shall be applied at or before 3:00 p.m. (New York City time) to the purchase of such Series 2022 Multimodal Bonds. Except as otherwise provided with respect to Series 2022 Multimodal Bonds that are in book-entry only form, payment of the Optional Purchase Price of Series 2022 Multimodal Bonds tendered for purchase pursuant to Section 701 shall be made only upon the surrender of such Series 2022 Multimodal Bonds to the Series 2022 Paying Agent. Notwithstanding anything to the contrary in this Section, if the Series 2022 Multimodal Bond to be tendered for purchase pursuant to Section 701 are in book-entry only form, payment of the Optional Purchase Price for tendered Series 2022 Multimodal Bonds shall be made in accordance with the rules and procedures of the applicable Securities Depository.

The Series 2022 Paying Agent shall, as to any Series 2022 Multimodal Bonds that are not in book-entry only form and that have not been delivered to it as required by Section 702, place a stop transfer against an appropriate amount of Series 2022 Multimodal Bonds registered in the name of the owner of such Series 2022 Multimodal Bonds on the bond register. The Series 2022 Paying Agent shall place and maintain such stop transfer commencing with the lowest serial number Series 2022 Multimodal Bond registered in the name of such owner until stop transfers have been placed against an appropriate amount of Series 2022 Multimodal Bonds until the appropriate Series 2022 Multimodal Bonds are delivered to the Series 2022 Paying Agent. Upon such delivery, the Series 2022 Paying Agent shall make any necessary adjustments to the bond register.

Section 706 Series 2022 Multimodal Bonds Owned by City. Any Series 2022 Multimodal Bonds purchased by the City pursuant to Section 701 shall not be cancelled by the Series 2022 Paying Agent unless such cancellation is directed in writing by an Authorized Representative but shall remain Outstanding for all purposes of this

Supplemental Ordinance, except as otherwise provided herein or the General Bond Ordinance.

The City covenants and agrees that it shall not transfer or cause the transfer of any Series 2022 Multimodal Bond purchased by the City pursuant to Section 701 unless the City delivers to the Series 2022 Paying Agent a Favorable Opinion of Bond Counsel with respect to such transfer.

The City covenants and agrees that, in the event that at any time there are insufficient funds in the Bond Fund or the Redemption Account, as applicable, to pay the principal of and interest then due on the Outstanding Series 2022 Multimodal Bonds, it will surrender or cause to be surrendered to the Series 2022 Paying Agent for cancellation any Series 2022 Multimodal Bonds held by the City.

If all Outstanding Series 2022 Multimodal Bonds of any series or subseries bearing interest in a Term Rate Period or in an Index Rate Period are purchased by the City pursuant to Section 701, then, notwithstanding anything to the contrary in the Pricing Certificate or this Supplemental Ordinance, including Section 502, (i) the date of such purchase by the City will be deemed to be the Purchase Date for such series or subseries of Series 2022 Multimodal Bonds, and (ii) the Term Rate or Index Rate, as applicable, will be deemed to have expired on the day immediately preceding such Purchase Date. Upon the City's successful purchase of such series or subseries of Series 2022 Multimodal Bonds, notwithstanding anything to the contrary in this Supplemental Ordinance, such series or subseries of Series 2022 Multimodal Bonds shall be subject to Conversion and remarketing without notice of Conversion being provided by the City pursuant to this Supplemental Ordinance.

ARTICLE VIII
MISCELLANEOUS

Section 801 Tax Covenants. In furtherance of Section 1037 of the General Bond Ordinance, the City, for and on behalf of the Department, represents and specifically agrees as follows (except to the extent that Series 2022 Multimodal Bonds are remarketed after a Conversion as obligations that are not Tax-Exempt):

A. General Covenants.

(1) The City hereby covenants that it shall not (i) make any use of the proceeds of any Tax-Exempt Series 2022 Bonds, any funds reasonably expected to be used to pay the principal of or interest on any Tax-Exempt Series 2022 Bonds, or any other funds of the City; (ii) make or permit any use of the Airport Facilities financed with proceeds of the Series 2022 Bonds; (iii) make or permit any use of the Airport Facilities financed or refinanced with the proceeds of the Refunded Bonds refunded through the Series 2022 Refunding Project; or (iv) take (or omit to take) any other action with respect to any Tax-Exempt Series 2022 Bonds, the proceeds thereof, or otherwise, if such use, action or omission would, under the Tax Code, cause the interest on any Tax-Exempt Series 2022 Bonds to be included in gross income for federal income tax purposes.

(2) In particular, without limitation, the City hereby covenants that it shall not take (or omit to take) or permit or suffer any action to be taken if the result of the same causes any Tax-Exempt Series 2022 Bonds to be "arbitrage bonds" within the meaning of § 148 of the Tax Code or causes any Tax-Exempt Series 2022 Bonds issued as governmental purpose bonds to be "private activity bonds" within the meaning of Section 141 of the Tax Code.

B. Rebate.

(1) Except as otherwise expressly provided therein, the City shall pay to the United States in accordance with the requirements of § 148(f) of the Tax Code an amount equal to the sum of (i) the excess of the amount earned on all nonpurpose investments allocable to a series of Tax-Exempt Series 2022 Bonds (other than investments attributable to such excess) over the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on such series of Series 2022 Bonds, plus (ii) any income attributable to such excess.

(2) The City shall maintain within the Airport System Fund a special and separate account hereby created and to be known as the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System

Revenue Bonds, Rebate Fund" with appropriate series designation (each, a "Series 2022 Rebate Fund"). The City shall maintain within each Series 2022 Rebate Fund such subaccounts as may be necessary, and the City shall deposit to the credit of, and make disbursements to the United States and otherwise from, such Series 2022 Rebate Fund such amounts, at such times, as shall be necessary hereunder.

(3) Any amounts so deposited to the credit of a Series 2022 Rebate Fund shall be derived from the Net Revenues of the Airport System or from such other legally available sources as the City may determine; provided, however, that the accumulation and application of Net Revenues for such purpose shall be subordinate in priority to the accumulation and application of Net Revenues required by Section 508 of the General Bond Ordinance.

(4) Notwithstanding any provision of this Section 801B, if the Treasurer shall obtain an opinion of an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized that any action required under this Section 801B is no longer required or that some further action is required to maintain the exclusion from federal income tax of interest on a series of Tax-Exempt Series 2022 Bonds, the City may rely conclusively on such opinion in complying with the requirements of this Section 801B, and the covenants contained herein shall be deemed to be modified to that extent.

C. Tax Certificate. The Treasurer is hereby authorized to execute one or more tax certificates on behalf of the City in implementation of the covenants and agreements set forth in this Section 801, or to make any election permitted by the Tax Code and determined by the Treasurer to be to the advantage of the City; and the representations, agreements, and elections set forth therein shall be deemed the representations, agreements, and elections of the City, as if the same were set forth herein.

Section 802 Preservation of Enterprise Status. The City hereby covenants that it shall not take (or omit to take) any action with respect to the Department that would cause the Department to lose its status as an "enterprise" within the meaning of Section 20, Article X, State Constitution.

Section 803 Applicability of General Bond Ordinance. Except as otherwise provided herein, the provisions of the General Bond Ordinance govern the Series 2022 Bonds and the Series 2022 Refunding Project. The rights, undertakings, covenants, agreements, obligations, warranties, and representations of the City set forth in the General Bond Ordinance shall in respect of the Series 2022 Bonds be deemed the rights, undertakings, covenants, agreements, obligations, warranties, and representations of the City for and on behalf of the Department.

COMMITTEE APPROVAL DATE: May 18, 2022

MAYOR-COUNCIL DATE: May 24, 2022

PASSED BY THE COUNCIL ____ 2022

______________________ _________________ - PRESIDENT

APPROVED: ___________ _________________ - MAYOR ___________ ________ 2022

ATTEST: ________________________________ - CLERK AND RECORDER,
EX-OFFICIO CLERK OF THE
CITY AND COUNTY OF DENVER

NOTICE PUBLISHED IN THE DAILY JOURNAL ___________ 2022 AND ___________ 2022

PREPARED BY: HOGAN LOVELLS US LLP; DATE: June 2, 2022

REVIEWED BY: Kevin Cain, Assistant City Attorney; DATE: June 2, 2022

Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed ordinance. The proposed ordinance is submitted to the City Council for approval pursuant to § 3.2.6 of the Charter.

Kristin M. Bronson, City Attorney

BY: ____________________, ________ City Attorney

DATE: _________________

EXHIBIT A

(FORM OF SERIES 2022 MULTIMODAL BOND)

No. R-__________ **$___________**

UNITED STATES OF AMERICA
STATE OF COLORADO
CITY AND COUNTY OF DENVER
FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION
AIRPORT SYSTEM REVENUE BOND
SERIES 20___

INTEREST RATE	MATURITY DATE	ISSUE DATE	CUSIP
Variable	November 15, 20__	_________, 2022	

REGISTERED OWNER: ______________

PRINCIPAL AMOUNT: DOLLARS

The City and County of Denver, in the State of Colorado (the "City" and the "State," respectively), for and on behalf of its Department of Aviation (the "Department"), for value received, hereby promises to pay (solely from the special funds provided therefor, as hereinafter set forth) in lawful money of the United States of America, to the registered Owner hereof, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount specified above, together with interest thereon from the Issue Date set forth above until the principal hereof shall have been paid, at the interest rates and on the dates (each, an "Interest Payment Date") described herein. The principal of and premium, if any, on this Bond are payable to the registered Owner hereof upon presentation and surrender of this Bond at the principal office of Zions Bancorporation, National Association, as paying agent (together with any successor as paying agent, the "Paying Agent"). Interest on this Bond shall be paid by check and mailed on the applicable Interest Payment Date to the registered Owner hereof as of the close of business on the Record Date at such registered Owner's address as it appears on the Bond Register. As used herein, "Record Date" means: (a) for any Interest Payment Date in respect of any Daily Rate Period, Weekly Rate Period, Commercial Paper Rate Period or Index Rate Period, the Business Day next preceding such Interest Payment Date; and (b) for any Interest Payment Date in respect of any Term Rate Period or Fixed Rate Period, the first (1st) day (whether or not a Business Day) of the month in which such Interest Payment Date occurs.

This Bond is one of a duly authorized issue of bonds of the City, designated as "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 20__" (the "Bonds"), all of which are being issued pursuant to the home-rule powers granted to the City in accordance with its Charter under article XX of the State Constitution, and pursuant to Ordinance No. 0777, Series of 2018, as amended and supplemented, including by Ordinance No. ___, Series of 2022, as supplemented by a Pricing Certificate dated _______ __, 2022 (collectively, as amended or supplemented from time to time, the "General Bond Ordinance"). This recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance. Said authorized issue of Bonds is not limited in aggregate principal amount and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as in the General Bond Ordinance provided. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the General Bond Ordinance.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY, EQUALLY AND RATABLY SECURED BY AN IRREVOCABLE LIEN ON THE NET REVENUES AND CERTAIN FUNDS AND ACCOUNTS TO THE EXTENT PROVIDED IN THE GENERAL BOND ORDINANCE. THE BONDS DO NOT CONSTITUTE A DEBT OR AN INDEBTEDNESS OF THE CITY, FOR AND ON BEHALF OF THE DEPARTMENT, WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER OR STATUTORY PROVISION OR LIMITATION, AND SHALL NOT BE CONSIDERED OR HELD TO BE GENERAL OBLIGATIONS OF THE CITY, FOR AND ON BEHALF OF THE DEPARTMENT. THE CITY, FOR AND ON BEHALF OF THE DEPARTMENT, HAS NOT PLEDGED ITS FULL FAITH AND CREDIT FOR THE PAYMENT OF THE BONDS.

Reference is hereby made to the General Bond Ordinance for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the pledge of Net Revenue and the rights of the registered Owners of the Bonds and all the terms of the General Bond Ordinance are hereby incorporated herein and constitute a contract between the City and the registered Owner from time to time of this Bond, and to all the provisions thereof the registered Owner of this Bond, by its acceptance hereof, consents and agrees. Additional Bonds may be issued and other indebtedness may be incurred on a parity with the Series of Bonds of which this Bond is a part, but only subject to the conditions and limitations contained in the General Bond Ordinance.

This Bond is payable both as to principal and interest, and as to any premium upon the redemption hereof, solely from Net Revenues of the Airport System and certain Airport System funds and accounts, all as provided in the General Bond Ordinance.

Interest Rate Determination Method, Rate Periods, Interest Payment Dates and Authorized Denominations

In the manner provided in the General Bond Ordinance, the term of this Bond will be divided into consecutive Rate Periods, which, as set forth and defined in the General Bond Ordinance, may be the Daily Rate Period, the Weekly Rate Period, the Commercial Paper Rate Period, the Term Rate Period, the Index Rate Period or the Fixed Rate Period. During each such Rate Period, this Bond shall bear interest at the Daily Rate, the Weekly Rate, the Commercial Paper Rate, the Term Rate, the Index Rate, the Fixed Rate or the Stepped Rate, pursuant to the terms of and as defined in the General Bond Ordinance.

The initial Rate Period for this Bond shall be a Term Rate Period and during such initial Rate Period, subject to prior redemption or Conversion, this Bond shall bear interest at a Term Rate of ___% until the Purchase Date of [_________]. Subsequent Rate Period(s) and interest rate(s) for this Bond shall be determined in accordance with the provisions of the General Bond Ordinance.

This Bond shall bear interest payable to the registered Owner hereof from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid or duly provided for, or (iii) if the date of authentication of this Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication. During Daily Rate Periods, Weekly Rate Periods, Index Rate Periods, or Commercial Paper Rate Periods, interest on this Bond shall be computed on the basis of a 365- or 366-day year for the number of days actually elapsed. During a Term Rate Period of more than 180 days, except as otherwise set forth in the applicable Pricing Certificate, or the Fixed Rate Period, interest on this Bond shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. The term "Interest Payment Date" means: (a) with respect to this Bond:(i) in the Daily Rate Period or the Weekly Rate Period, the first Business Day of each calendar month; (ii) in the Commercial Paper Rate Period, the day immediately succeeding the last day of each Commercial Paper Rate Period applicable to this Bond; (iii) each Conversion Date; (iv) in the Term Rate Period or the Fixed Rate Period, each May 15 and November 15 occurring during such Term Rate Period or Fixed Rate Period, respectively; and (v) in the Index Rate Period, the first Business Day of each calendar month, or, if the City obtains a Favorable Opinion of Bond Counsel, such other periodic dates as shall be selected by the City in accordance with the General Bond Ordinance; (b) with respect to this Bond while bearing interest at the Daily Rate or the Weekly Rate, as applicable, any mandatory tender date on which a Series 2022 Credit Facility providing support for Bonds of the series or subseries of Bonds of which this Bond is one is substituted; and (c) in all events, the final maturity date or redemption date of this Bond and any other date set forth in the initial Pricing Certificate executed in connection with the initial issuance of this Bond or in connection with any Conversion of this Bond.

Pursuant to the General Bond Ordinance, at any one time, each Bond shall have the same Interest Rate Determination Method and shall bear interest at the same rate, except for Bonds that are Series 2022 Credit Facility Bonds, Bonds during a Commercial Paper Rate Period and Bonds of different maturities bearing interest at a Fixed Rate. At the times and subject to the conditions set forth in the General Bond Ordinance, the City may elect that the Bonds shall bear interest based on an Interest Rate Determination Method and for a Rate Period, different from the Interest Rate Determination Method or Rate Period then applicable. Notice of adjustment of the Interest Rate Determination Method or Rate Period shall be given by the Paying Agent to the Owner of this Bond as set forth in the General Bond Ordinance.

During each Daily Rate Period, this Bond shall bear interest at the Daily Rate, determined by the Remarketing Agent by 9:30 a.m., New York City time, on each Business Day.

During each Weekly Rate Period that this Bond bears interest at the SIFMA Swap Index, this Bond shall bear interest at the Weekly Rate, determined by the Remarketing Agent by 1:00 p.m., New York City time on each Wednesday (or the immediately succeeding Business Day, if such Wednesday is not a Business Day) for the next Calendar Week, provided that the Weekly Rate for the first Calendar Week (or portion thereof) following a Conversion Date resulting in a change in the Interest Rate Determination Method to a Weekly Rate shall be set by the Remarketing Agent on the Business Day immediately preceding such Conversion Date.

During each period in which this Bond is bearing interest at a Stepped Rate, this Bond shall bear interest at such Stepped Rate or Rates as of the applicable Stepped Rate Determination Date for such as provided in the General Bond Ordinance.

During each Commercial Paper Rate Period, this Bond shall bear interest at the Commercial Paper Rate or rates applicable to this Bond. The Remarketing Agent shall select the Commercial Paper Rate Period or Periods for each of the Bonds on a Business Day selected by the Remarketing Agent not more than five (5) Business Days prior to the first day of such Commercial Paper Rate Period and not later than 12:30 p.m., New York City time, on the first day of such Commercial Paper Rate Period. Each Commercial Paper Rate Period shall be a period of not less than one (1) nor more than two hundred seventy (270) days.

During an Index Rate Period, this Bond shall bear interest at the Index Rate calculated on each Index Rate Determination Date by the Index Agent in accordance with the General Bond Ordinance. The City shall determine the Purchase Date, if any, with respect to such Index Rate Period in accordance with the General Bond Ordinance, and an Index Rate Period shall take effect upon satisfaction of the conditions in the General Bond Ordinance.

During a Term Rate Period after the initial Term Rate Period, this Bond shall bear interest at the Term Rate determined by the Remarketing Agent by 5:00 p.m. on the Term Rate Computation Date. The City shall select the duration of each Term Rate Period and each Term Rate Period shall end on a day that precedes a Business Day selected by the City that is a minimum of 180 days after commencement of such Term Rate Period but in no event later than the maturity date of this Bond.

During the Fixed Rate Period, this Bond shall bear interest at the Fixed Rate, determined by the Remarketing Agent on the Fixed Rate Computation Date in accordance with the provisions of the General Bond Ordinance.

In no event shall the interest rate on this Bond be greater than the Maximum Interest Rate.

This Bond shall be deliverable in the form of a fully registered Bond in the following denominations: (a) during any Daily Rate Period, Weekly Rate Period or Commercial Paper Rate Period, $100,000 and any integral multiple of $5,000 in excess thereof; and (b) during a Term Rate Period, an Index Rate Period or the Fixed Rate Period, $5,000 and any multiple thereof; provided, however, that the City has the authority to specify the "Authorized Denominations" for this Bond in the Pricing Certificate delivered in connection with the initial issuance of this Bond or a Conversion thereof. The initial Pricing Certificate specified that the Authorized Denominations for this Bond shall be _______ during the initial Term Rate Period.

Notwithstanding the foregoing, if as a result of a Conversion of a series or subseries of this Bond from a Term Rate Period or an Index Rate Period to a Daily Rate

Period, Weekly Rate Period or Commercial Paper Rate Period, it is not possible to deliver all the Bonds of a series required or permitted to be Outstanding in a denomination permitted above, Bonds of this Series may be delivered, to the extent necessary, in different denominations.

Optional and Mandatory Tender Provisions

Bonds shall be subject to optional and mandatory tender as specified in the General Bond Ordinance.

Optional and Mandatory Redemption Provisions

Bonds shall be subject to optional and mandatory redemption as specified in the General Bond Ordinance.

Mandatory Tender and Purchase at Direction of City

On each date on which this Bond is subject to redemption at the option of the City, this Bond is also subject to mandatory tender for purchase by the City, in whole or in part, at a purchase price equal to the amount that would be payable upon the redemption of this Bond at the option of the City on such date. Notice of such mandatory tender for purchase shall be given by mail not more than 60 days nor less than 30 days before the date of purchase (the "Optional Purchase Date"). Such notice may be conditional and if conditional notice is given and the Paying Agent does not have sufficient funds available on the Optional Purchase Date to pay the purchase price of the Bonds (the "Optional Purchase Price") subject to mandatory tender for purchase on such Optional Purchase Date, then such purchase shall be cancelled and the City shall be under no obligation to purchase this Bond. If moneys sufficient to pay the Optional Purchase Price of the Bonds subject to mandatory tender for purchase are held by the Paying Agent on the Optional Purchase Date, all Bonds subject to mandatory tender for purchase on such Optional Purchase Date shall be deemed purchased by the City and neither the former Owner or former Beneficial Owner of this Bond nor any other person shall have any claim thereunder, under the General Bond Ordinance or otherwise, for any amount other than the Optional Purchase Price.

Amendments and Modifications

The rights and obligations of the City and of the Holders and registered Owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the General Bond Ordinance, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Owners of Bonds.

Transfer and Exchange Provisions

This Bond is transferable or exchangeable as provided in the General Bond Ordinance, only upon the Bond Register at the Principal Office of the Series 2022 Bonds Registrar, by the registered Owner hereof in person, or by his or her duly authorized attorney, upon surrender of this Bond at the Principal Office of the Series 2022 Bonds Registrar, together with a written instrument of transfer satisfactory to the Series 2022 Bonds Registrar duly executed by the registered Owner or his or her duly authorized attorney, and thereupon a new Bond or Bonds of the same series, maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the General Bond Ordinance, upon payment of any charges therein prescribed.

Persons Deemed Owners

The person in whose name this Bond is registered shall be deemed and regarded as the absolute Owner hereof for all purposes, including receiving payment of, or on account of, the principal, Purchase Price or Optional Purchase Price hereof and any redemption premium and interest due hereon.

It is hereby certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution and laws of the State, and in particular the Charter and the General Bond Ordinance; and that this Bond does not contravene any constitutional, Charter or statutory limitation. The Bonds are also issued pursuant to Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act"), as amended. Pursuant to Section 11-57-210 of the Supplemental Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

No recourse shall be had for the payment of the principal, interest or premium, if any, of this Bond or for any claim based thereon, or otherwise, upon the General Bond Ordinance or other instrument pertaining thereto, against any individual member of the City Council of the City, or any officer or other agent of the City, past, present or future, either directly or indirectly through the City Council of the City or the City, or otherwise, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any penalty, or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

Reference is made to the General Bond Ordinance, and to any and all modifications and amendments thereof, for an additional description of the nature and extent of the security for the Bonds, the funds and accounts or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights, duties, immunities and obligations of the City and other rights and remedies of the owners of the Bonds.

This Bond shall not be entitled to any benefit under the General Bond Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Series 2022 Bonds Registrar.

IN WITNESS WHEREOF, the City, for and on behalf of the Department, acting by and through the City Council of the City, has caused this Bond to be signed and executed in the name of the City, for and on behalf of the Department, and upon its behalf by the manual or facsimile signature of its Mayor and to be subscribed and executed by the manual or facsimile signature of the City Auditor; has caused a manual or facsimile of the seal of the City to be affixed hereon; and has caused this Bond to be executed and attested by the manual or facsimile signature of the City Clerk and Recorder; all as of the Issue Date specified above.

CITY AND COUNTY OF DENVER, COLORADO,
for and on behalf of its Department of Aviation

By:____________________________________
Mayor

(SEAL)

Attest:

____
City Clerk and Recorder

Countersigned:

____
City Auditor

CERTIFICATE OF AUTHENTICATION

This is one of the Series 20__ Bonds described in the within-mentioned General Bond Ordinance, and this Bond has been duly registered on the registration books kept by the undersigned as the Series 2022 Bonds Registrar for such Series 20___ Bonds.

ZIONS BANCORPORATION, National
Association, as the Series 2022 Bonds Registrar

By:________________________________
Authorized Signatory

Date of Authentication: __________, 2022

[DTC LEGEND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered Owner hereof, Cede & Co., has an interest herein.

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(Please Print or Type Name and Address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER TAX IDENTIFICATION NUMBER OF ASSIGNEE

____

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

____

to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:____

Signature:____
(Signature of Assignor)

Notice: The signature on this assignment must correspond with the name of the registered Owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever

SIGNATURE GUARANTEED, by a Member of the Medallion Signature Program:

____

EXHIBIT B

(FORM OF FIXED INTEREST RATE BOND)

No. R-__________ **$___________**

UNITED STATES OF AMERICA
STATE OF COLORADO
CITY AND COUNTY OF DENVER
FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION
AIRPORT SYSTEM REVENUE BOND
SERIES 20___

INTEREST RATE	MATURITY DATE	ISSUE DATE	CUSIP
[__.00]%	November 15, 20__	_________, 2022	

REGISTERED OWNER: __________

PRINCIPAL AMOUNT: DOLLARS

The City and County of Denver, in the State of Colorado (the "City" and the "State," respectively), for and on behalf of its Department of Aviation (the "Department"), for value received, hereby promises to pay (solely from the special funds provided therefor, as hereinafter set forth) in lawful money of the United States of America, to the registered Owner hereof, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount specified above, together with interest thereon from the Issue Date set forth above until the principal hereof shall have been paid, at the interest rate per annum specified above based on a 360-day year of twelve 30-day months, payable on ________ 15, 2022, and semiannually thereafter on November 15 and May 15 of each year and at maturity or upon the prior redemption thereof (each, an "Interest Payment Date"). This Bond shall pay interest to the registered Owner hereof from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid or duly provided for, or (iii) if the date of authentication of this Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the

Interest Payment Date immediately succeeding such date of authentication. As long as the Bonds of the Series of which this Bond is a part are book-entry bonds, principal and premium, if any, of and interest on such Bonds shall be payable by wire transfer to DTC in lawful money of the United States of America. The principal of and premium, if any, on this Bond are payable to the registered Owner hereof upon presentation and surrender of this Bond at the principal office of Zions Bancorporation, National Association, as paying agent (together with any successor as paying agent, the "Paying Agent"). Interest on this Bond shall be paid by check and mailed on the applicable Interest Payment Date to the registered Owner hereof as of the close of business on the Record Date at such registered Owner's address as it appears on the Bond Register. As used herein, "Record Date" means the first (1st) day (whether or not a Business Day) of the month in which such Interest Payment Date occurs.

This Bond is one of a duly authorized issue of bonds of the City, designated as "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 20__" (the "Bonds"), all of which are being issued pursuant to the home-rule powers granted to the City in accordance with its Charter under article XX of the State Constitution, and pursuant to Ordinance No. 0777, Series of 2018, as amended and supplemented, including by Ordinance No. ___, Series of 2022, as supplemented by a Pricing Certificate dated _______ __, 2022 (collectively, as amended or supplemented from time to time, the "General Bond Ordinance"). This recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance. Said authorized issue of Bonds is not limited in aggregate principal amount and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as in the General Bond Ordinance provided. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the General Bond Ordinance.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY, EQUALLY AND RATABLY SECURED BY AN IRREVOCABLE LIEN ON THE NET REVENUES AND CERTAIN FUNDS AND ACCOUNTS TO THE EXTENT PROVIDED IN THE GENERAL BOND ORDINANCE. THE BONDS DO NOT CONSTITUTE A DEBT OR AN

INDEBTEDNESS OF THE CITY, FOR AND ON BEHALF OF THE DEPARTMENT, WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER OR STATUTORY PROVISION OR LIMITATION, AND SHALL NOT BE CONSIDERED OR HELD TO BE GENERAL OBLIGATIONS OF THE CITY, FOR AND ON BEHALF OF THE DEPARTMENT. THE CITY, FOR AND ON BEHALF OF THE DEPARTMENT, HAS NOT PLEDGED ITS FULL FAITH AND CREDIT FOR THE PAYMENT OF THE BONDS.

Reference is hereby made to the General Bond Ordinance for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the pledge of Net Revenue and the rights of the registered Owners of the Bonds and all the terms of the General Bond Ordinance are hereby incorporated herein and constitute a contract between the City and the registered Owner from time to time of this Bond, and to all the provisions thereof the registered Owner of this Bond, by its acceptance hereof, consents and agrees. Additional Bonds may be issued and other indebtedness may be incurred on a parity with the Series of Bonds of which this Bond is a part, but only subject to the conditions and limitations contained in the General Bond Ordinance.

This Bond is payable both as to principal and interest, and as to any premium upon the redemption hereof, solely from Net Revenues of the Airport System and certain Airport System funds and accounts, all as provided in the General Bond Ordinance.

Optional and Mandatory Redemption Provisions

The Bonds of the Series of which this Bond is a part are subject to optional and mandatory redemption as specified in the General Bond Ordinance.

Amendments and Modifications

The rights and obligations of the City and of the Holders and registered Owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the General Bond Ordinance, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Owners of Bonds.

Transfer and Exchange Provisions

This Bond is transferable or exchangeable as provided in the General Bond Ordinance, only upon the Bond Register at the Principal Office of the Series 2022 Bonds Registrar, by the registered Owner hereof in person, or by his or her duly authorized attorney, upon surrender of this Bond at the Principal Office of the Series 2022 Bonds Registrar, together with a written instrument of transfer satisfactory to the Series 2022 Bonds Registrar duly executed by the registered Owner or his or her duly authorized attorney, and thereupon a new Bond or Bonds of the same series, maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the General Bond Ordinance, upon payment of any charges therein prescribed.

Persons Deemed Owners

The person in whose name this Bond is registered shall be deemed and regarded as the absolute Owner hereof for all purposes, including receiving payment of, or on account of, the principal of and interest due hereon.

It is hereby certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution and laws of the State, and in particular the Charter and the General Bond Ordinance; and that this Bond does not contravene any constitutional, Charter or statutory limitation. The Bonds are also issued pursuant to Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act"), as amended. Pursuant to Section 11-57-210 of the Supplemental Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

No recourse shall be had for the payment of the principal, interest or premium, if any, of this Bond or for any claim based thereon, or otherwise, upon the General Bond Ordinance or other instrument pertaining thereto, against any individual member of the City Council of the City, or any officer or other agent of the City, past, present or future, either directly or indirectly through the City Council of the City or the City, or otherwise, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any penalty, or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

Reference is made to the General Bond Ordinance, and to any and all modifications and amendments thereof, for an additional description of the nature and extent of the security for the Bonds, the funds and accounts or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights, duties, immunities and obligations of the City and other rights and remedies of the owners of the Bonds.

This Bond shall not be entitled to any benefit under the General Bond Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Series 2022 Bonds Registrar.

IN WITNESS WHEREOF, the City, for and on behalf of the Department, acting by and through the City Council of the City, has caused this Bond to be signed and executed in the name of the City, for and on behalf of the Department, and upon its behalf by the manual or facsimile signature of its Mayor and to be subscribed and executed by the manual or facsimile signature of the City Auditor; has caused a manual or facsimile of the seal of the City to be affixed hereon; and has caused this Bond to be executed and attested by the manual or facsimile signature of the City Clerk and Recorder; all as of the Issue Date specified above.

CITY AND COUNTY OF DENVER, COLORADO,
for and on behalf of its Department of Aviation

By:____________________________________
Mayor

(SEAL)

Attest:

____
City Clerk and Recorder

Countersigned:

____
City Auditor

CERTIFICATE OF AUTHENTICATION

This is one of the Series 20__ Bonds described in the within-mentioned General Bond Ordinance, and this Bond has been duly registered on the registration books kept by the undersigned as the Series 2022 Bonds Registrar for such Series 20___ Bonds.

ZIONS BANCORPORATION, National
Association, as the Series 2022 Bonds Registrar

By:__________________________________
Authorized Signatory

Date of Authentication: ___________, 2022

[DTC LEGEND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered Owner hereof, Cede & Co., has an interest herein.

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(Please Print or Type Name and Address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER TAX IDENTIFICATION NUMBER OF ASSIGNEE

____

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

____

to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:____

Signature:____
(Signature of Assignor)

Notice: The signature on this assignment must correspond with the name of the registered Owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever

SIGNATURE GUARANTEED, by a Member of the Medallion Signature Program:

____

CITY AND COUNTY OF DENVER, COLORADO
FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION
AIRPORT SYSTEM REVENUE BONDS
SERIES 2022 – MAXIMUM PRINCIPAL AMOUNT OF $3,980,000,000

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This Table of Contents is not a part of the Series 2022 Airport System Supplemental Bond Ordinance

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APPENDIX C

DTC BOOK-ENTRY SYSTEM

The information in this appendix concerning DTC and DTC's book-entry system has been obtained from DTC and contains statements that are believed to describe accurately DTC, the method of effecting book-entry transfers of securities distributed through DTC and certain related matters, but neither the City nor the Department takes any responsibility for the accuracy or completeness of such statements. Beneficial Owners should confirm the following information with DTC or the DTC Participants.

None of the City, the Department, the Paying Agent, the Registrar or the Underwriters has any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2022C-D Bonds under the Senior Bond Ordinance, (3) the payment by DTC or any DTC Participant of any amount received under the Senior Bond Ordinance with respect to the Series 2022C-D Bonds, (4) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2022C-D Bonds or (5) any other related matter.

DTC will act as securities depository for the Series 2022C-D Bonds. The Series 2022C-D Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). One fully registered bond certificate will be issued for each maturity of the Series 2022C-D Bonds, each in the aggregate principal amount of such maturity, and will be deposited with the DTC. The Series 2022C-D Bonds may in the future be registered in such other name as may be requested by an authorized representative of DTC.

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, as amended. 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 and 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 an S&P 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 http://www.dtcc.com and http://www.dtc.org. The City undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on such websites as described in the preceding sentence, including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites.

Purchases of Series 2022C-D Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022C-D Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn recorded on the records of Direct and Indirect Participants. 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 2022C-D 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 the Series 2022C-D Bonds except in the event that use of the book-entry system for the Series 2022C-D Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022C-D Bonds deposited by Direct Participants with DTC are registered in the name of DTC's nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022C-D Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022C-D Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022C-D 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. Beneficial Owners of Series 2022C-D Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022C-D Bonds, such as redemptions, tenders, defaults and proposed amendments to the Senior Bond Ordinance. For example, Beneficial Owners of Series 2022C-D Bonds may wish to ascertain that the nominee holding the Series 2022C-D Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of the notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2022C-D Bonds within a maturity of the Series 2022C-D Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consider or vote with respect to the Series 2022C-D 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 the Series 2022C-D Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2022C-D 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 Paying Agent on the 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 Participants and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Series 2022C-D Bonds to Cede & Co., or to such other nominee as may be requested by an authorized representative to DTC, is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

A Beneficial Owner must give notice to elect to have its Series 2022C-D Bonds purchased or tendered through its Participant to the Remarketing Agent, and will effect delivery of such Series 2022C-D Bonds by causing the Direct Participant to transfer the Participant’s interest in the Series 2022C-D Bonds on DTC’s records to the Remarketing Agent. The requirement for physical delivery of Series 2022C-D Bonds in connection with a mandatory tender or mandatory purchase will be deemed satisfied when the ownership rights of the Series 2022C-D Bonds are transferred by Direct Participants on DTC’s records and followed by a book-entry credit of tendered Series 2022C-D Bonds to the Remarketing Agent’s DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2022C-D Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, certificates representing the Series 2022C-D Bonds are required to be printed and delivered as provided in the Senior Bond Ordinance.

The City may at any time decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository) with respect to the Series 2022C-D Bonds. In that event, certificates representing the Series 2022C-D Bonds will be printed and delivered to DTC.

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APPENDIX D

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2021 AND 2020

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CITY & COUNTY OF DENVER | MUNICIPAL AIRPORT SYSTEM

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020

PREPARED BY THE FINANCE DIVISION

DEPARTMENT OF AVIATION

AN ENTERPRISE FUND OF THE CITY & COUNTY OF DENVER

COLORADO

DENVER INTERNATIONAL AIRPORT

CITY & COUNTY OF DENVER | MUNICIPAL AIRPORT SYSTEM

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2021 AND 2020

PREPARED BY THE FINANCE DIVISION

DEPARTMENT OF AVIATION
AN ENTERPRISE FUND OF THE CITY & COUNTY OF DENVER
COLORADO

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Statistical Section (Unaudited)

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT
INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal

June 8, 2022

To the Public and Fellow Employees

We are pleased to present the Annual Comprehensive Financial Report of the Municipal Airport System for the fiscal years ended December 31, 2021 and 2020. This report was prepared by the Airport's Finance Division in collaboration with other Airport personnel. These financial statements were audited by Moss Adams, LLP, independent certified public accountants.

The letter of transmittal is designed to complement and should be read in conjunction with Management's Discussion and Analysis (MD&A). The MD&A, which immediately follows the Independent Auditor's Report, provides an introduction, overview, and analysis of the Airport financial statements.

Responsibility for the accuracy, completeness, and fairness of the presentation and disclosures included in this report rests with management. To the best of our knowledge, this report is accurate in all material respects and designed to fairly present the financial position and results of Airport operations.

Background

The Municipal Airport System is organized as a department of the City and County of Denver, Colorado (the City) and includes Denver International Airport (the Airport or DEN) and former Stapleton International Airport (Stapleton). The Airport is headed by a Chief Executive Officer who reports directly to the Mayor. In addition, the senior management team further consists of five executive vice presidents. This report was prepared by the Airport's Finance Division in collaboration with other Airport personnel to provide a better understanding of the Airport.

The Airport is an enterprise fund of the City. Enterprise funds are defined as government-owned businesses or business-type activities that are authorized to issue their own revenue bonds. Enterprise funds also receive fewer than 10% of their annual revenues in grants from all State and Local governments combined. An enterprise fund is established to account for operations that are financed and operated in a manner similar to businesses, where fees are charged to external parties to cover the costs of providing goods and services. An enterprise fund uses the accrual basis of accounting, and accordingly, revenues are recognized when earned and expenses are recognized as incurred.

Description of DEN

Situated approximately 24 miles northeast of downtown Denver, DEN is the primary air carrier airport serving the region. According to Airports Council International, in 2021, DEN was the third busiest airport in the United States and the third busiest in the world, serving 58.8 million passengers. DEN comprises approximately 33,800 acres (53 square miles) of land, an area twice the size of the island of Manhattan and is the second largest physical airport in the world. The passenger terminal complex is reached via Peña Boulevard, a 12-mile dedicated access road which connects Interstate 70 and intersects with E-470 toll highway. DEN has six runways—four oriented north-south and two oriented east-west. Five runways are 12,000 feet long and 150 feet wide. The sixth runway is 16,000 feet long and 200 feet wide, providing unrestricted global access for any airline and the ability to accommodate fully loaded jumbo jets, including the Airbus A-380.

The Airport's passenger terminal complex has a landside terminal and three airside concourses, as well as cargo and general aviation facilities. The landside terminal accommodates passenger ticketing, baggage claim, concessions, and passenger screening and is flanked by roads and curbs for public and private vehicles. Automobile parking is available in public garages adjacent to the landside terminal and in surface parking lots. DEN has approximately 15,900 public parking spaces in the garages and approximately 9,200 spaces in the surface parking lots. Spaces are also provided for employee parking. Additional passenger services include car rental facilities and ground transportation. In 2015, the 519-room Westin hotel and conference center was opened to the public and is connected to the terminal via a public plaza. In 2016, passenger rail service to downtown Denver began via a train station in the same area.

Passengers travel between the landside terminal and three airside concourses (Concourses A, B, and C) via an underground Automated Guideway Transit System (AGTS). In addition, there is a pedestrian passenger bridge to Concourse A. The passenger terminal complex includes a total of 111 full-service contact gates and 24 ground loading positions.

Metro Area

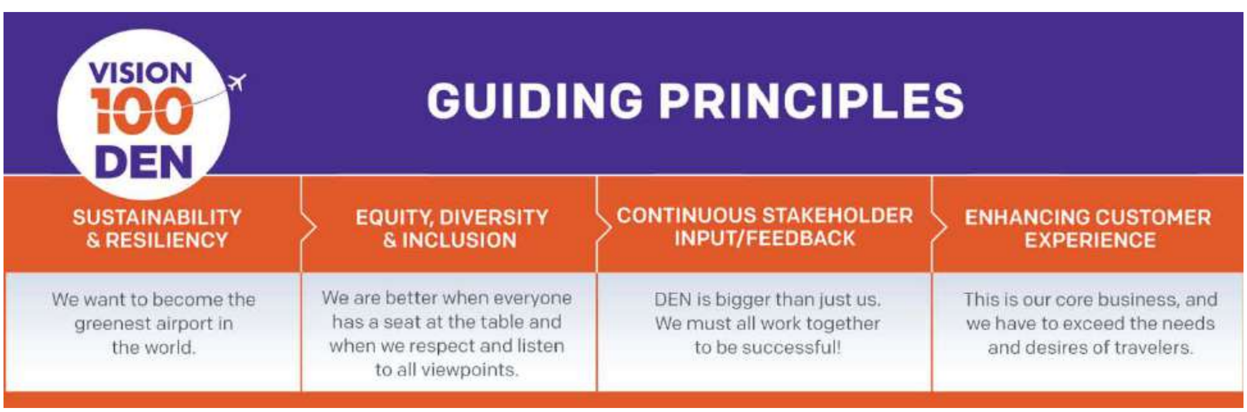
The Denver Metropolitan Area (Metro Denver), with a population of more than 3.0 million, is the primary region served by DEN. Metro Denver is comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties. Metro Denver is home to 10 Fortune 500 companies. The Wall Street Journal and Moody's Analytics place the Denver metro area in seventh place on their annual ranking of America's hottest job markets, based on 2021 to rank metropolitan statistics areas.

Metro Denver's diverse employment base across various industries, central location and transformation of its transportation network has positioned it to become a key distribution hub, fostering strong economic growth and development for the region/state. Metro Denver's unemployment rate was 4.2% as of December 2021.

Vision 100

DEN has developed a new strategic plan (Vision 100). Vision 100 will enable DEN to prepare for and reach 100 million annual passengers. The strategic plan will serve as a blueprint to align decision-marking and enable accountability so together we can thoughtfully prepare to serve 100 million passengers in the next eight to 10 years. This plan will guide the organization's work over the next three to five years as part of the first phase of reaching Vision 100. The mission is to provide excellence in service and support. DEN's strategic plan is centered around four pillars of Vision 100 and under each pillar are strategic objectives.

Along with the four pillars are four guiding principles, which will be incorporated into the execution of each pillar and are just as critical to our success.



2023-2027 CIP

To welcome and prepare for the 100 million passengers under Vision 100, DEN developed a 2023-2027 Capital Improvement Program (CIP) to Grow Our Infrastructure and Maintaining What We Have. The 2023-2027 CIP is estimated to have a total value of $2.9 billion, of which $2.1 billion is estimated for infrastructure and Jeppesen Terminal (Great Hall Completion Phase) construction and $815.0 million for asset rehabilitation.

Great Hall Completion Phase

The final phase for construction within the Jeppesen Terminal is known as the Great Hall Completion Phase. The completion phase consists of a full buildout of improvements to the Jeppesen Terminal and includes a new security checkpoint with enhanced technology, relocation of certain existing checkpoints, the addition of new screening lanes, new modern and spacious ticketing spaces, new concession area, renovations to restrooms, flooring, lighting, elevators, escalators, and other critical infrastructure, and added leisure spaces for travelers. The Great Hall Completion Phase includes the development of a new Center of Excellence and Equity in Aviation (CEEA). The CEEA is designed to engage, educate, empower, motivate, and provide opportunities for under-represented students and young people who are interested and passionate about careers in aviation. CEEA includes finding worldwide aviation best practices and disseminate through the aviation industry, adapting new technology systems or study new technology as a means to improve the aviation industry, providing aviation research, and providing training and guidance for DEN employees, including introduction of an aviation Career Pathway to all employees at DEN. Total development for the Great Hall Completion Phase is estimated to cost approximately $1.3 billion, of which $1.1 billion is included in the 2023-2027 CIP.

COVID-19 Pandemic

General Description

In 2020, an outbreak of a new strain of coronavirus spread global, including the United States. In response to the COVID-19 Pandemic (COVID-19), the U.S. government and other governments around the world issued travel restrictions and warnings. As a result, airports around the world experienced significant reductions in passenger volumes and flights. In 2020, DEN also experienced a significant reduction in passenger traffic of about 53%. To assist in reducing the spread of COVID-19, the U.S. government issued a mandatory face mask requirement while traveling through U.S. airports. In August 2021, the U.S. Food and Drug Administration approved three COVID-19 vaccines. These vaccines along with boosters against COVID-19 have been widely administered in the United States and have declined the number of positive COVID-19 cases from the peak periods in 2020. In April 2022, the U.S. government lifted the mandatory face mask requirement.

Federal Stimulus

In March 2020, the United States responded to the economic impact of COVID-19 by executing the Coronavirus Aids, Relief and Economic Security (CARES) Act stimulus package. DEN was awarded $269.1 million in CARES Act funds. DEN deposited these funds into an irrevocable escrow to pay debt service for its outstanding bonds. These funds have been expended. In December 2020, in response to the slow economic recovery due to COVID-19, the United States executed the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act. DEN received two awards totaling $55.8 million of which $7.2 million is to provide rent relief to concessionaires and the remaining amount of $48.6 million was deposited into an irrevocable escrow to pay debt service for its outstanding bonds. In March 2021, additional Federal stimulus funds were available under the American Rescue Plan Act (ARPA). DEN received two awards totaling $223.0 million of which $28.8 million is to provide rent relief to concessionaires and the remaining amount of $204.3 million was deposited into an irrevocable escrow to pay debt service for DEN's outstanding bonds.

Rent Relief

As passenger traffic decreased in 2020, this directly impacted the airlines, concessionaires, and rental car company's operations and revenues. In response to this, DEN provided some rent and payment relief for 2020 which carried over into 2021. This included rent payment deferrals for the airlines and a waiver of the minimum annual guarantee for the concessionaires and rental car companies. In 2021, qualified airlines received at the rent payment deferrals of 25% on the facility rental and landing fees for about $92.8 million. The airlines start paying on these deferrals in 2022 and will repay them within five years, which includes interest.

Federal Infrastructure Bill

On November 13, 2021, the Unites States executed the $1.0 trillion Bipartisan Infrastructure Bill (BIL). BIL allocated $25.0 billion to airports, which includes $15.0 billion for Airport Infrastructure Program, $5.0 billion for Airport Terminal Program (ATP), and $5.0 billion for Federal Aviation Administration (FAA) infrastructure assets. Funding under BIL will be over a five-year period. The Airport Infrastructure Program formula-based funding is allocated based on passenger traffic. DEN anticipates receiving approximately $300.0 million of this type of funding over five years to fund qualified infrastructure projects. The ATP portion is arbitrarily issued by the FAA. DEN has applied for approximately $200.0 million in ATP funded qualified projects.

Air Traffic

Located close to the geographic center of the United States mainland, the City has long been a major air transportation hub. DEN provides airline service to more than 200 cities. Denver's natural geographic advantage as a connecting hub is enhanced by the Airport's ability to accommodate aircraft landings and takeoffs in virtually any weather conditions. As reported by the Department of Transportation's Bureau of Transportation Statistics (BTS), total passenger traffic at DEN was up 74.4% in 2021 from 2020, compared with a 77.4% increase nationally. In 2021, 58.8 million passengers traveled through DEN, with approximately 58.8% originating or concluding their air journeys at DEN and 41.2% connecting to flights beyond DEN. Originating and destination traffic (O&D) increased by 72.5% in 2021 from 2020 and connecting traffic increased by 77.1% during the same period. As shown in the table below, as of December 31, 2021, 23 airlines provided scheduled passenger service at DEN: 10 major/national airlines, seven regional/commuter airlines, and eight foreign-flag airlines.

In addition, several passenger charter and all-cargo airlines, including Federal Express and United Parcel Service provide service at the Airport.

Scheduled Passenger Airlines Serving Denver
as of December 31, 2021

Major/National
Alaska Airlines
Allegiant Air
American Airlines
Delta Air Lines
Frontier Airlines
JetBlue Airways
Southwest Airlines
Spirit Airlines
Sun Country Airlines
United Airlines

Regional/Commuter
American Eagle
Boutique Air
Denver Air Connection
Delta Connection
Envoy
Southern Airways Express
United Express

Foreign Flag
Aeromexico
Air Canada
Air France
British Airways
Copa Airlines
Icelandair
Lufthansa German Airlines
Volaris

Airline Use and Lease Agreements

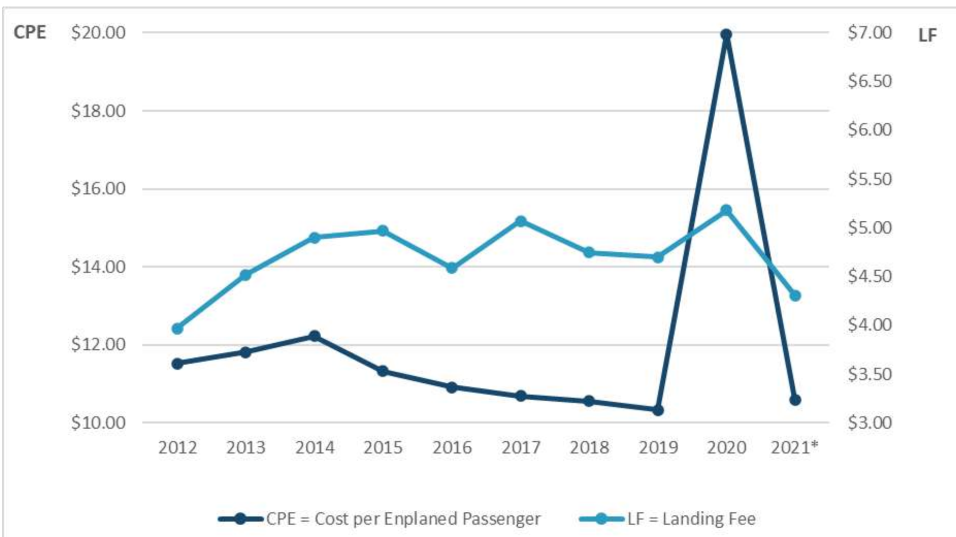
United Airlines operates under a Use and Lease agreement that extends through February 28, 2035. Southwest Airlines operates under a Use and Lease agreement, that extends through February 28, 2035. In May 2022, Frontier Airlines and the City executed a new Use and Lease agreement providing for terms of 10 years from the operational date of the new Concourse A east Ground Loading Facility (GLF). All other signatory airlines operate under one-year Use and Lease agreements which expired on December 31, 2021, with two one-year extension through December 31, 2023. The Airport exercised the first of two extensions.

Airlines Rates, Fees, and Charges

The Airport utilizes a hybrid rate structure established by the Use & Lease Agreements which includes a combination of residual and compensatory rate methods based on cost recovery principles. Residual cost centers recover the full cost of operations from the airlines (e.g. airfield). Compensatory cost centers recover only the costs associated with the space that has been leased by the airlines (e.g. terminal buildings) and allows the Airport to lease vacant space to concessionaires and other tenants for non-airline revenue opportunities. These opportunities allow the Airport to generate free cash flow for reinvestment. In return, the Use and Lease Agreement has established a revenue share between the Airport and airlines, with the airlines receiving 50% of the net revenue up to a $40.0 million cap per year. In 2021, the Airport provided the airlines with $40.0 million net revenue credit and has estimated to deposit $173.7 million into the capital improvement account that can be used for any lawful airport purpose. The net revenue available for sharing for the years ended December 31, 2012 through 2021 is reflected in the table below:

Net Revenue Available for Sharing
($ in thousands)

Year	Total	Airport Share
2012	121,695	81,695
2013	122,784	82,784
2014	134,612	94,612
2015	130,147	90,147
2016	112,091	72,091
2017	135,976	95,976
2018	155,892	115,892
2019	183,064	143,064
2020	54,220	25,844
2021*	213,717	173,717



CPE is total airline revenues per total enplaned passengers. The numbers above reflect an average across all carriers. Individual airlines may have a CPE higher or lower than this based on their individual operating models.
LF is a residual based recovery of airfield cost per 1,000 lbs. of aircraft landed weight.
Note: Airport Year-End Settlement Reports
*Landing Fee and CPE are not finalized until the year-end settlement is completed

Traditionally, the overall CPE has trended downward as a result of continued enplanement growth, the effective management of airline costs, as well as changes in leased space. For 2020, the effect of COVID-19 directly impacted the airlines operations which drove up the CPE for 2020. The reduction in the 2021 CPE is a combination of increased passenger traffic, cost saving measures, and the use of CARES Act irrevocable escrow funds to pay debt service.

Traditionally, the landing fee has been impacted by changes in landed weight, as well as increases in airfield expenses and debt service requirements. For 2020, the effect of COVID-19 directly impacted the airlines operations which drove up the landing fee for 2020. The reduction in the 2021 landing fee is a combination of increased operations and larger aircraft, cost saving measures, and the use of CARES Act irrevocable escrow funds to pay debt service.

United Group

United Group (United) includes the operations of United Airlines, as well as regional affiliate airlines operating under the United Express brand. United is one of the world's largest airlines and is the principal air carrier operating at DEN. United operates a major connecting hub at DEN under a Use and Lease Agreement with the City that expires in 2035. United currently leases 53 full-service contact gates on Concourse B and 15 ground loading positions on Concourses A and B. On February 14, 2020, United agreed to lease additional gates and, upon completion of the Concourse A and Concourse B gate expansions, will have 90 combined full-service contact gates and ground loading positions across these concourses. At DEN, United accounted for 43.9% of total passengers in 2021. On November 20, 2020, the Airport opened four new gates, all leased by United, on the west side of Concourse B as part of the Gate Expansion project.

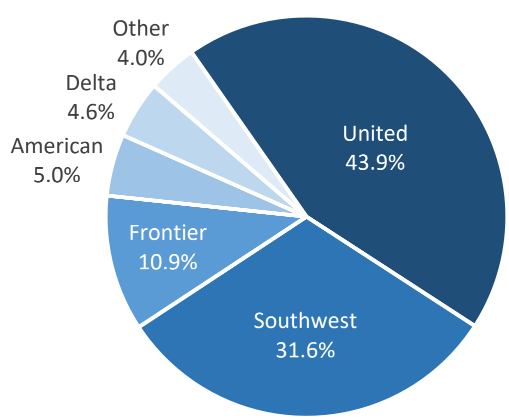
Southwest Airlines

Southwest Airlines (Southwest) maintains the second largest market share at the Airport. Southwest began service at the Airport in January 2006, and since that time has experienced strong and continued growth. The Airport is now the airline's busiest station in its system, in terms of total scheduled flights. Southwest currently occupies 25 full-service contact gates on Concourse C. In March 2020, Southwest agreed to lease additional gates and, upon completion of the Concourse C gate expansion, will have 41 full-service contact gates, all on Concourse C. Southwest accounted for 31.6% of total passengers in 2021.

Frontier Airlines

Frontier Airlines (Frontier) maintains the third largest market share at the Airport, which is Frontier's only hub and the busiest airport in the Frontier system. Frontier is an ultra-low-cost carrier and currently leases nine full-service contact gates on Concourse A. Frontier accounted for 10.9% of total passengers in 2021. In May 2022, a new Use and Lease agreement was entered into with Frontier. Under the Use and Lease agreement, Frontier will lease a total of 14 mainline ground load gates along with new hold-rooms and modifications to existing hold-rooms. Upon completion of the New GLF, the Use and Lease agreements terms will be for 10 years.

Airline Market Share
2021 Total Passengers



Cash Management

The Airport's cash is under the control of the City's Chief Financial Officer who invests the funds pursuant to the City's Investment Policy. As of December 31, 2021, and 2020, cash and investments totaled $2.7 billion and $2.9 billion, respectively. Current investment vehicles include U.S. treasury securities, U.S. agency securities, corporate bonds, multinational fixed income, structured products, commercial paper, local government investment pools, municipal bonds, and money market funds. In 2021 and 2020, the City charged fees of $0.6 million and $0.6 million, respectively, to the Airport for performing the cash management function.

During the year, the Airport implemented temporary COVID-19 relief policies. The policies provided payment deferrals and some fee waivers to airline, concession, and car rental companies operating at DEN. In anticipation of decreased revenues, the Airport also implemented cost saving measures to defer non-essential contractual services and reduce service level contracts as a result or reduced passenger traffic. Additionally, the Airport instituted a hiring freeze and required furlough hours for all employees.

Accounting and Internal Control

The Airport follows accounting principles generally accepted in the United States of America applicable to governmental unit enterprise funds. Accordingly, the financial statements are prepared on the accrual basis of accounting in accordance with these accounting principles. In developing and evaluating the Airport's accounting system, consideration has been given to the adequacy of internal controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits require estimates and judgments by management.

We believe that the Airport's process of internal control adequately safeguards assets and provides reasonable assurance that financial transactions are recorded properly.

Awards

DEN is consistently named a passenger favorite and is the proud recipient of dozens of national and international awards for excellence. Notable awards include the best large airport by USA Today Reader's Choice, the second-best regional airport, and the second-best airport staff in North America by Skytrax World Airport Awards in 2021.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airport for its Annual Comprehensive Financial Report for each of the fiscal years ended: (a) December 31, 2020 and (b) December 31, 2019. This was the second year that the Airport received this prestigious award. To be awarded a Certificate of Achievement, the Airport must publish an easily readable and efficiently organized financial report that meets GFOA eligibility requirements and comply with Generally Accepted Accounting Principles (GAAP). DEN believes that the current financial report will meet the Certificate of Achievement Program requirements and will submit it to the GFOA to determine the Airport's eligibility to receive a certificate for this financial report.

Acknowledgments

The preparation of this report in a timely and efficient manner is the result of, in large part, the dedicated service and professionalism of the Airport's accounting staff. We thank all members of the Airport who contributed to the preparation of the report.

Respectfully Submitted,

Phillip A. Washington
Chief Executive Officer

Sylvester Lavender
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Denver International Airport
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

City and County of Denver – City Officials

Mayor

Michael B. Hancock

City Council

Robin Kniech, At-Large
Deborah Ortega, At-Large

Amanda Sandoval	Jolon Clark
Kevin Flynn	Christopher Herndon
Jamie Torres	Candi CdeBaca
Kendra Black	Chris Hinds
Amanda Sawyer	Stacie Gilmore
Paul Kashmann	

Auditor

Timothy M. O'Brien

Clerk and Recorder

Paul D. López

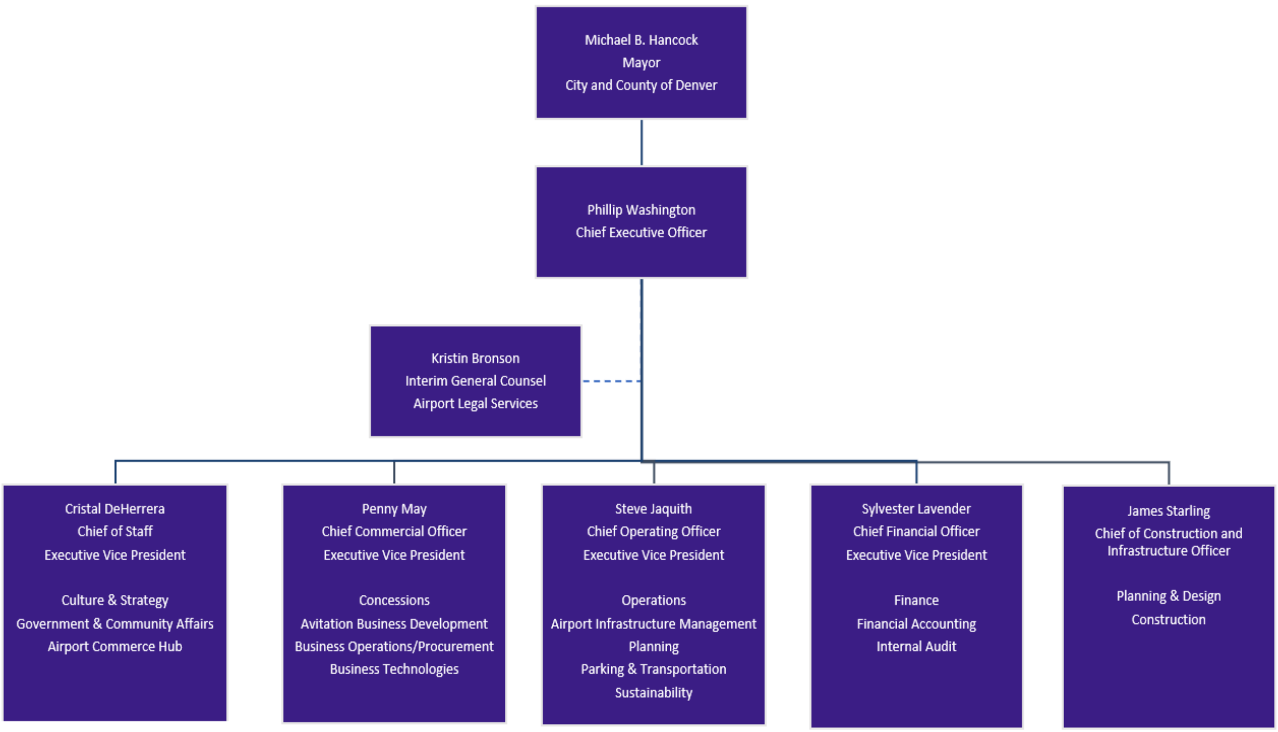
Cabinet Officials

Brendan J. Hanlon	Deputy Mayor, Chief Financial Officer
Jay Morein	Interim Executive Director of the Department of Human Services
Kristin M. Bronson, Esq.	City Attorney
Laura Aldrete	Executive Director of the Department of Community Planning and Development
Adam Phipps	Executive Director of the Department of Transportation and Infrastructure
Phillip Washington	Executive Director of the Department of Aviation
Allegra "Happy" Haynes	Executive Director of the Department of Parks and Recreation
Robert M. McDonald	Executive Director of the Department of Public Health and Environment
Armando Saldate	Executive Director of the Department of Safety
Andrew Amado	Executive Director of the Department of General Services

Department of Aviation

Sylvester Lavender	Executive Vice President/Chief Financial Officer
Cristal Torres DeHerrera	Executive Vice President/Chief of Staff
Steve Jaquith	Executive Vice President/Chief Operating Officer
Jim Starling	Executive Vice President/Chief Construction and Infrastructure Officer
Penny May	Executive Vice President/Chief Commercial Officer
Kristin Bronson, Esq.	Interim General Counsel

Denver International Airport
Organizational Chart
as of December 31, 2021



MOSSADAMS

Report of Independent Auditors

To the Audit Committee
City and County of Denver
Denver, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the City and County of Denver, Colorado Municipal Airport System ("Airport"), an enterprise fund of the City and County of Denver, Colorado ("City"), which comprise the statement of net position as of December 31, 2021, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the City and County of Denver, Colorado Municipal Airport System as of December 31, 2021, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Financial Reporting Entity

As discussed in Note 1, the financial statements present only the Airport and do not purport to, and do not, present fairly the financial position of the City and County of Denver, Colorado, as of December 31, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of these financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in these financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of these financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matters

Prior Period Financial Statements

The financial statements of the Airport as of December 31, 2020, were audited by other auditors whose report dated June 25, 2021, expressed an unmodified opinion on those financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of Airport proportionate share – net pension liability, schedule of Airport contributions – net pension liability, schedule of Airport proportionate share – net OPEB liability, schedule of Airport employer contributions – net OPEB liability, and schedule of Airport proportionate share – Implicit Rate Subsidy be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information as listed in the table of contents comprises the Introductory Section, Other Information Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Moss Adams LLP

Denver, Colorado
June 8, 2022

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Management's Discussion and Analysis (MD&A) (Unaudited)

The following discussion and analysis of the financial performance and activities of the Municipal Airport System (Airport System) of the City and County of Denver (the City) provides an introduction and understanding of the basic financial statements of the Airport System as of and for the twelve months ended December 31, 2021, 2020 and 2019. The Airport System includes the Denver International Airport (the Airport) and the former Stapleton International Airport (Stapleton). This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Financial Highlights

Operating revenue at the Airport totaled $716.4 million, an increase of $124.6 million, or 21.1%, for the year ended December 31, 2021, as compared to the same period in 2020. Airline revenue totaled $337.6 million, a decrease of $25.0 million, or 6.9%, primarily due to a decrease in the signatory terminal complex rental rates and an increase in airline revenue credit. The decrease is offset by an increase in landing fee revenue. Non-airline revenue totaled $378.8 million, an increase of $149.5 million, or 65.2%, primarily due to a 74.4% increase in overall passengers. Non-airline revenue represented 52.9% of total operating revenue.

Operating expenses, exclusive of depreciation and amortization, totaled $461.4 million for the year ended December 31, 2021, representing a decrease of $14.5 million, or 3.0%, as compared to the year ended December 31, 2020. The decrease compared to prior year was primarily driven by a $20.1 million, or 10.1%, reduction in personnel costs primarily due to reduction in pension and OPEB expenses.

COVID-19 Pandemic

General Description

The outbreak of a strain of coronavirus spread across the globe, including the United States. As a result of the COVID-19 Pandemic (COVID-19), the U.S. government and governments of other countries issued travel restrictions and warnings for numerous countries. Some of these restrictions have been adjusted and eliminated. Below is a timeline of some of the current mandates and requirements:

- On January 21, 2021, the President of the United States issued an Executive Order "*Promoting COVID-19 Safety in Domestic and International Travel*", requiring masks to be worn in airports, on commercial aircraft and in various modes of surface transportation.
- On April 30, 2021, the Transportation Security Administration (TSA) announced it was extending the face mask requirement for individual across all transportation networks through the United States, including at airports, onboard commercial aircraft, through September 13, 2021.
- On May 14, 2021, the Governor amended the Executive Order by providing fully vaccinated people to go without masks in public indoor spaces unless the setting required otherwise.
- On August 2, 2021, the Mayor announced that all Denver city employees, as well as private-sector workers in high-risk settings, were required to be fully vaccinated against COVID-19 by September 30, 2021. Denver airport employees were included in this public health order.
- On August 17, 2021, the TSA extended its mask mandate that applied to the public transportation network through January 18, 2022. The Airport continued its operations as an essential service, which included all services (i.e. concessions, rental car, etc.). Also, the Airport made it mandatory for all individuals to wear facial coverings within the Airport and provided face coverings for all individuals.

- On November 8, 2021, the international travel ban for non-essential travelers from select countries was lifted. All non-immigrant, non-citizen air travelers to the United States were required to be fully vaccinated and to provide proof of vaccination status prior to boarding an airplane to the United States.
- On March 10, 2022, the TSA announced the extension of the federal mask mandate in the aviation and across transportation hubs and public transportation through April 18, 2022. The mandate required anyone over the age of two to wear a mask while on airport property and on aircraft.
- On April 13, 2022, the TSA announced an extension of the Security Directives and Emergency Amendment requiring mask use on public transportation and transportation hubs for 15 days through May 3, 2022.
- On April 18, 2022, the TSA announced that following a court ruling and effective immediately the TSA would not enforce its face mask requirement for public transportation, in airports and on airplanes. As a result, masks are no longer required at the Airport. TSA's withdrawal of its directive does not preclude a transportation operator from imposing its own face mask requirements.

Airport Operations

The Airport continued to see an increase in passenger traffic and airport operations, with a 74.4% increase in total passengers and a 34.2% increase in total aircraft operations, respectively, for the year ended December 31, 2021, as compared to the same period in 2020. Additionally, in 2021, originating and destination (O&D) passenger traffic as a percentage of overall traffic decreased to 58.8% compared to 59.4% in 2020. However, given the Airport's position as a strategic connecting hub, connecting traffic as a percentage of overall traffic increased to 41.2% in 2021 compared to 40.6% in 2020. Under Presidential Proclamations issued in 2020, air service to the United States was prohibited from certain international locations and for certain foreign nationals. Effective on November 8, 2021, the United States President issued a new Presidential Proclamation, which ended the travel restrictions previously in place, and announced the United States would follow global vaccination requirement for all adult foreign national travelers. In 2021, international passengers increased 100.4%, amounting to 3.2% of total passengers in 2021 and 2020. Total cargo, in tons, increased 1.8% in 2021 compared, to 2020.

As of December 31, 2021, the Airport continued passenger traffic recovery and 137 concessions were open to serve customers and one remained closed. The Airport reopened some parking operations as a result of the increase in O&D passengers. East and west economy parking lots and all garage parking are currently in operation. One of two shuttle lots, Pikes Peak, reopened in the fourth quarter of 2021. Mt. Elbert, second shuttle lot, and valet operations remain temporarily closed. As of December 31, 2021, the Airport had 101 gates leased by Signatory Airlines, and 10 gates available on a per-use basis.

Stimulus Funds

CARES Act

On March 27, 2020, the United States executed the Coronavirus Aid, Relief and Economic Security (CARES) Act stimulus package. Under the CARES Act, the Federal Aviation Administration (FAA) awarded funds to airports based on enplanements and other metrics related to cash reserves and debt service. Funding received through the CARES Act is intended to prevent, prepare for, and respond to the impacts of COVID-19. On April 28, 2020, The City, for and on behalf of the Airport, executed the CARES Act Grant with the FAA and was eligible to receive a total of $269.1 million. During 2020, the Airport received $262.7 million in CARES Act funding with the remaining amount, $6.4 million, received in early 2021. On September 8, 2020, the City, for and on behalf of the Airport, executed a CARES Act Irrevocably Committed Escrow Agreement (CARES Act Irrevocable Escrow). The full amount of the CARES Act was deposited into the CARES Act Irrevocable Escrow. The purpose of the CARES Act Irrevocable Escrow is to secure and pay the debt service for senior and/or subordinate Lien debt. Approximately $130.0 million and $139.1 million of the CARES Act Irrevocable Escrow was used for debt service payments during 2020 and 2021, respectively. As of December 31, 2021, all of the CARES Act Irrevocable Escrow was expended.

CRRSA Act

On December 27, 2020, the United States executed the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act. Under the CRRSA Act, the FAA awarded funds to airports based on calendar year 2019 enplanements. Funding received through the CRRSA Act is intended to prevent, prepare for, and respond to the impacts of COVID-19, including relief from rent and minimum annual guarantees (MAG) for eligible airport concessions. Under the CRRSA Act, the FAA provides funding through the Airport Coronavirus Relief Grant Program (ACRGP).

On March 25, 2021, the City for and on behalf of the Airport, executed an ACRGP Grant with the FAA and was eligible to receive a total of $48.6 million. This grant could be used for costs related to operations, personnel, cleaning, sanitation, janitorial services, combating spread of pathogens at the Airport, and debt service payments. The Airport decided to use these funds as a reimbursement of debt service payments. As of December 31, 2021, approximately $48.6 million was reimbursed by the FAA and recognized as non-operating revenue. On October 1, 2021, the City, for and on behalf of the Airport, using the $48.6 million CRRSA reimbursed funds, executed the CRRSA Act Irrevocably Committed Escrow Agreement (CRRSA Act Irrevocable Escrow). The purpose of the CRRSA Act Irrevocable Escrow is to secure and pay the debt service for senior and/or subordinate Lien debt. On October 21, 2021, the full $48.6 million in CRSSA grant funds was deposited into the CRRSA Act Irrevocable Escrow. As of December 31, 2021, none of the CRRSA Act Irrevocable Escrow funds were used.

On March 31, 2021, the City, for and on behalf of the Airport, executed an ACRGP Concessions Relief Addendum with the FAA and was eligible to receive a total of $7.2 million. This grant may be used to provide a credit relief to eligible concessions based on criteria established by the FAA. A portion of these funds, up to two percent, may be used to reimburse the Airport for administrative costs. As of December 31, 2021, the Airport granted $7.1 million in credit relief to eligible concessions under this ACRGP grant.

ARPA

On March 11, 2021, the United States executed the American Rescue Plan Act of 2021 (ARPA), which included $8.0 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to COVID-19. Under ARPA, primary commercial service airports share nearly $6.5 billion in a similar way to how airports currently receive Airport Improvement Program (AIP) entitlement funds. Also, shared funds are available for airports to provide relief from rent and minimum annual guarantees to eligible airport concessions. The Airport was allocated approximately $204.3 million under the primary allocation to be used for General Grant Funding purposes and approximately $28.8 million as relief from rent and minimum annual guarantees to eligible airport concessions. The General Grant Fund purposes may be used for costs related to operations, personnel, cleaning, sanitation, janitorial services, combating spread of pathogens at the Airport, and debt service payments. Airport management plans to use these funds for debt service. On August 11, 2021, the City, for and on behalf of the Airport, executed the General Grant Funding award for $204.3 million. As of December 31, 2021, approximately $195.2 million was reimbursed by the FAA and recognized as non-operating revenue. On April 22, 2022, the City, for and on behalf of the Airport, executed ARPA Act Irrevocably Committed Escrow Agreement (ARPA Act Irrevocable Escrow). The purpose of the ARPA Act Irrevocable Escrow is to secure and pay the debt service for senior and/or subordinate Lien debt. On April 29, 2022, the full $204.3 million in the ARPA General Grant Fund award was deposited into the ARPA Act Irrevocable Escrow.

COVID-19 Relief Policies

2021 Rent Relief Policy

Issued in November 2020 and effective in January 2021, the Airport implemented relief policies (2021 COVID-19 Relief Policies) for revenue contracts providing payment deferrals and certain fee waivers. For the signatory airlines, participants must maintain payment compliance through the policy term and were required to pay 75% of their fixed and variable rate billings as outlined in the Use and Lease Agreements for 2021. The remaining 25% of these billings must be paid over the next five years in annual installments starting in 2022 and will be charged interest at the U.S. Treasury Note rate. As of December 31, 2021, fifteen signatory airlines remain under the 2021 COVID-19 Relief Policy. As of December 31, 2021, approximately $92.9 million of payments were deferred with the signatory airlines. For the concessionaires, the minimum annual guarantees, contractually due on a monthly basis, were waived for the year 2021 and were charged only for the contractual percentage of the concessionaires' gross sales. For rental car companies, the minimum annual guarantees, contractually due on a monthly basis, were waived for the year 2021 and were charged the contractually percentage of their gross sales. Rental car companies were provided a three-month payment deferral of the ground and facility billings for January, February, and March 2021. Deferred ground and facility payments were due by December 31, 2021 and were collected.

2020 Rent Relief Policy

In March 2020, the Airport implemented relief policies (2020 COVID-19 Relief Policy) for revenue contracts providing payment deferrals and some fee waivers. For the airlines, the Airport provided an option for a three-month payment deferral of all April, May, and June 2020 billings, but required these deferrals to be paid in full by December 31, 2020. All deferred payments from the airlines were received by December 31, 2020. For the concessionaires, the minimum annual guarantees, contractually due on a monthly basis, were waived for the year 2020 and are charged only for the contractual percentage of the concessionaire's gross sales. For rental car companies, the minimum annual guarantees, contractually due on a monthly basis, were waived for the year 2020, charged the contractually percentage of their gross sales, and provided a three-month payment deferral of the ground and facility April, May, and June 2020 billings. Deferred ground and facility payments were due by December 31, 2020 and were collected.

Bankruptcy Filings

On May 22, 2020, The Hertz Corporation (which includes Hertz Car Rental, Dollar Car Rental and Thrifty Car Rental) filed a Voluntary Petition with the United States Bankruptcy Court under Chapter 11 of the Bankruptcy Code. On June 10, 2021, the United States Bankruptcy Court confirmed the Chapter 11 Plan of Reorganization of The Hertz Corporation. The Hertz Corporation Chapter 11 Plan of Reorganization became effective on June 30, 2021. There was no impact to the Airport and all lease agreements between the City and The Hertz Corporation were assumed.

On May 27, 2020, Advantage Holdco, Inc. (which includes Advantage Rent a Car and E-Z Rent-A-Car) filed a Voluntary Petition with the United States Bankruptcy Court under Chapter 11 of the Bankruptcy Code. In July 2020, the ground and facility and concession agreements between the City and Advantage Holdco, Inc. subsidiaries were acquired by Sixt Rent A Car, LLC.

On June 30, 2020, Aerovias de Mexico, S.A. de C.V. (Aeromexico) filed a voluntary Petition with the United States Bankruptcy Court under Chapter 11 of the Bankruptcy Code.

Financial Impacts

The Airport proactively implemented several cost saving measures in 2020 intended to mitigate operational and financial impacts of COVID-19. Non-essential contract services were deferred, and service level reductions were implemented where appropriate. The Airport also instituted a hiring freeze along with furlough hours for all employees, reassigned available employees to other operating areas of the Airport and limited the number of personnel physically present at the Airport based on essential operating needs. During 2021, some of the cost saving measures were lifted which include the hiring freeze, eliminated furlough hours and increase in services as passenger traffic continued to grow.

Other Matters

Infrastructure Investment and Jobs Act

On November 5, 2021, Congress passed H.R.3684 – Infrastructure Investment and Jobs Act and on November 13, 2021, the President executed the $1.0 trillion Bipartisan Infrastructure Bill (BIL). Under BIL, airports were allocated $25.0 billion over the next five years. The allocation was split into three components: $15.0 billion for Airport Infrastructure Program, $5.0 billion for Airport Terminal Program (ATP), and $5.0 billion for FAA infrastructure assets. The Airport Infrastructure Program is formula-based funding allocated based on passenger traffic. The ATP portion is discretionarily awarded by the FAA. The Airport anticipates funding from the Airport Infrastructure Program and ATP.

Merger

In February 2022, Frontier Airlines announced a definitive merger agreement with Spirit Airlines. Both companies have approved the merger and it is expected to close in the second half of 2022, subject to satisfaction of customary closing conditions and regulatory approval. The merger is not expected to have a material adverse effect on revenues generated from either airline at the Airport.

Overview of the Financial Statements

The Airport's financial statements consist of its statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and notes to the financial statements. The statements of net position present information on the Airport's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. The statements of revenues, expenses, and changes in net position present information showing how the Airport's net position changed during the year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

This report also includes required supplementary information for the Airport's pension information, other postemployment benefit plan and other information presented for the purposes of additional analysis.

The Governmental Accounting Standards Board (GASB) allows the Airport to present comparative financial statements but requires that the Airport's MD&A address both years presented in the comparative financial statements. Therefore, the Airport's MD&A presents three years of comparative data – the current year, the prior year and the year preceding the prior year (i.e., 2021, 2020 and 2019).

Summary of Revenues, Expenses, and Changes in Net Position

The following is a summary of the revenues, expenses, and changes in net position for the years ended December 31, 2021, 2020, and 2019 ($ in thousands):

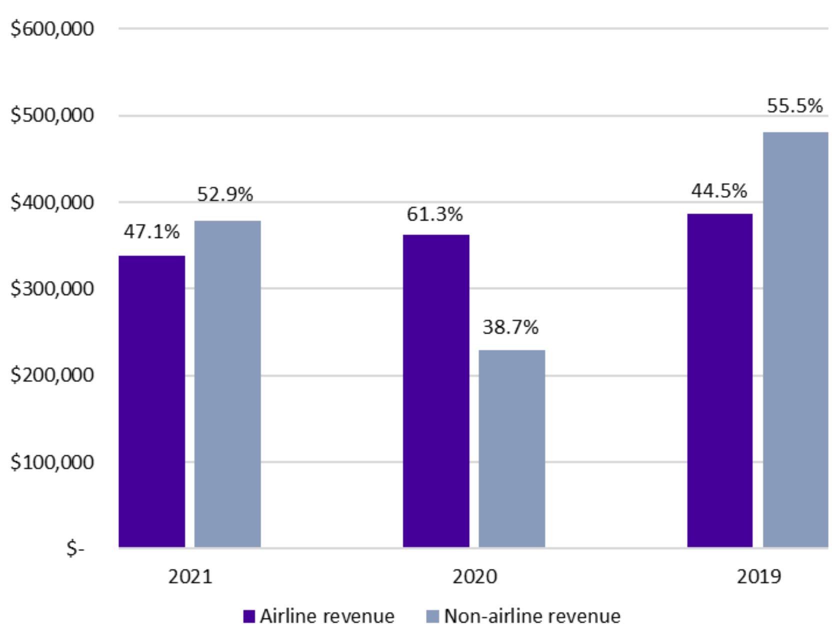
	2021	2020	2019	2021 / 2020 $ change	2021 / 2020 % change
Operating revenue	$ 716,396	$ 591,810	$ 867,793	$ 124,586	21.1%
Less: operating expenses	461,413	475,900	584,472	(14,487)	(3.0%)
Operating income before depreciation and amortization	254,983	115,910	283,321	139,073	120.0%
Less: depreciation and amortization	226,852	210,513	203,321	16,339	7.8%
Operating income (loss)	28,131	(94,603)	80,000	122,734	(129.7%)
Add: nonoperating revenues	349,157	498,162	328,075	(149,005)	(29.9%)
Less: nonoperating expenses	237,274	281,789	274,903	(44,515)	(15.8%)
Add: capital grants and contributions	24,814	33,773	15,301	(8,959)	(26.5%)
Increase in net position before special item	164,828	155,543	148,473	9,285	6.0%
Special item	-	-	(65,793)	-	0.0%
Increase in net position	164,828	155,543	82,680	9,285	6.0%
Net position, beginning of year	1,407,188	1,251,645	1,168,965	155,543	12.4%
Net position, end of period	$ 1,572,016	$ 1,407,188	$ 1,251,645	164,828	11.7%

Summary of Operating Revenues

The following is a summary of operating revenues for the years ended December 31, 2021, 2020, and 2019 ($ in thousands):

	2021	2020	2019	2021 / 2020 $ change	2021 / 2020 % change
Operating revenue:					
Airline revenue					
Facility rentals	$ 187,007	$ 226,837	$ 210,836	$ (39,830)	(17.6%)
Landing fees	150,575	135,708	175,636	14,867	11.0%
Total airline revenue	337,582	362,545	386,472	(24,963)	(6.9%)
Non-airline revenue					
Parking	147,809	88,259	203,502	59,550	67.5%
Car rental	75,703	45,993	80,348	29,710	64.6%
Concession	69,120	45,216	85,703	23,904	52.9%
Hotel	43,674	24,481	62,088	19,193	78.4%
Aviation fuel tax	21,626	9,789	25,464	11,837	120.9%
Ground transportation	13,848	8,575	19,997	5,273	61.5%
Other sales and charges	7,034	6,952	4,219	82	1.2%
Total non-airline revenue	378,814	229,265	481,321	149,549	65.2%
Total operating revenue	$ 716,396	$ 591,810	$ 867,793	$ 124,586	21.1%

Total Operating Revenues
for the years ended December 31, 2021, 2020, and 2019
(% of total)



2021/2020

The Airport's activities changed as described below for the year ended December 31, 2021, as compared to 2020:

	2021	2020	Percentage change
Passengers (in thousands)	58,829	33,741	74.4%
Enplanements (in thousands)	29,418	16,874	74.3%
Landed weight (in millions lbs)	35,614	26,146	36.2%
Aircraft operations (in thousands)(1)	594	443	34.1%
Cargo (in thousand tons)	337	331	1.8%

(1) Aircraft operations are takeoffs, landings, or other communications with the control tower.

Total airline revenues at the Airport were $337.6 million, a decrease of $25.0 million, or 6.9%, for the year ended December 31, 2021, as compared to the same period in 2020.

Facility rental revenue decreased by $39.8 million, or 17.6%, primarily due to a reduction in the signatory terminal complex rental rate in 2021 along with an increase in airline revenue credit.

Landing fee revenue increased by $14.9 million, or 11.0%, due to a 34.1% increase in operations and a 36.2% increase in landed weight. The landing fee revenue increase was partially offset by a reduction in the signatory landing fee rate and an increase in the incentive provided to international routes.

Total non-airline revenues at the Airport were $378.8 million, an increase of $149.5 million, or 65.2%, for the year ended December 31, 2021, as compared to the year ended December 31, 2020. The increase was primarily due to a 74.4% increase in overall passengers.

Parking revenue increased by $59.6 million, or 67.5%, primarily due to a 72.5% increase in O&D passenger traffic. Although parking revenue is increased, the increase in transaction volume slowed during 2021. This combined with a lower percentage of garage transactions resulted in a lower overall percentage increase when compared to O&D passenger traffic trends.

Car rental revenue increased by $29.7 million, or 64.6%, compared to December 31, 2020, primarily due to a 72.5% increase in O&D passenger traffic as well as increased total gross monthly receipts, ground rent rate, and the addition of car sharing operations. Offsetting this increase was $2.7 million provided in credit relief to eligible concessions under the ACRPG Concessions Relief Addendum award with the FAA. With the implementation of the COVID-19 Relief Policies for 2020 and 2021, car rental revenue primarily includes contractual percentage of gross monthly receipts, as well as ground and facility rents.

Concession revenue increased by $23.9 million, or 52.9%, primarily due to a 74.3% increase in enplaned passengers. Offsetting this increase was $4.3 million provided in credit relief to eligible concessions under the ACRGP Concessions Relief Addendum award with the FAA. With the implementation of the COVID-19 Relief Policies for 2020 and 2021, concession revenue consisted mostly of the contractual percentage of the concessionaires' gross sales.

Hotel revenue increased by $19.2 million, or 78.4%, primarily due to an increase in hotel guest room occupancy from 47.0% to 71.1%. The average daily rate for the period also increased by 16.4% during 2021, which resulted in an overall increase to rooms revenue of 75.5% when compared to the same period in 2020.

Aviation fuel tax revenue increased by $11.8 million, or 120.9%, compared to December 31, 2020, due to a 55.5% increase in gallons sold as a result of increased airline operations, coupled with increased fuel prices over the same period. Fuel tax revenues are comprised of both excise and sales tax collections. The Airport receives $0.02 per gallon from excise tax collections, and 65% of the 2.9% sales tax collections.

Ground transportation revenue increased by $5.3 million, or 61.5%, primarily due to a 50.1% increase in transportation network company (TNC) trips compared to the same period in 2020. Additionally, off-site parking revenue increased $1.9 million, approximately 90%.

Other sales and charges revenue increased by $0.1 million, or 1.2%, due to changes in various operational revenue sources.

2020/2019

The Airport's activities changed as described below for the year ended December 31, 2020, as compared to 2019:

	2020	2019	Percentage change
Passengers (in thousands)	33,741	69,016	(51.1%)
Enplanements (in thousands)	16,874	34,513	(51.1%)
Landed weight (in millions lbs)	26,146	37,668	(30.6%)
Aircraft operations (in thousands)(1)	443	640	(30.8%)
Cargo (in thousand tons)	331	336	(1.5%)

(1) Aircraft operations are takeoffs, landings, or other communications with the control tower.

Total airline revenues at the Airport were $362.5 million, a decrease of $23.9 million, or 6.2%, for the year ended December 31, 2020, as compared to the year ended December 31, 2019.

Facility rental revenue increased by $16.0 million, or 7.6%, due to an increase in the terminal complex rental rate in 2020. The rate change was driven by increases in debt service, as well as maintenance and professional services to support anticipated passenger growth and facility utilization.

Landing fee revenue decreased by $39.9 million, or 22.7%, due to a decline in airline operations as a result of COVID-19. Landing fee revenue is based on costs associated with the airfield and is a cost recovery cost center.

Total non-airline revenues at the Airport were $229.3 million, a decrease of $252.1 million, or 52.4%, for the year ended December 31, 2020, as compared to the year ended December 31, 2019. The decrease was primarily due to a 51.1% decrease in overall passengers as a result of COVID-19.

Parking revenue decreased by $115.2 million, or 56.6%, primarily due to a 54.9% reduction in O&D passenger traffic. This coupled with a 61.4% decrease in the number of transactions, resulted in the overall reduction of public parking revenue. The decrease was slightly offset by an increase in parking rates, which were effective beginning September 1, 2019.

Concession revenue decreased by $40.5 million, or 47.2%, due to a 51.1% reduction in enplaned passengers. With the implementation of the 2020 COVID-19 Relief Policy, concession revenue consisted mostly of the contractual percentage of the concessionaires' gross sales.

Car rental revenue decreased by $34.4 million, or 42.8%. Total gross monthly receipts decreased by approximately 47.3% compared to December 31, 2019, primarily due to a 54.9% decrease in O&D passengers. The decrease in total gross monthly receipts is partially offset by a 5.2% increase in ground rent compared to December 31, 2019, as well as the addition of car sharing operations in 2020. With the implementation of the 2020 COVID-19 Relief Policy, car rental revenue primarily includes contractual percentage of gross monthly receipts, as well as ground and facility rents.

Hotel revenue decreased by $37.6 million, or 60.6%, primarily due to a decrease in hotel guest room occupancy from 86.7% to 47.0%. Additionally, food and beverage operations (restaurant and banquet) temporarily closed at the end of the first quarter due to COVID-19 restrictions and reduced guest demand. The restaurant reopened in mid-July and banquet facilities reopened in October. As of December 31, 2020, some of the food and beverage operations were open with limited capacity in adherence with State and Local COVID-19 ordinances.

Aviation fuel tax revenue decreased by $15.7 million, or 61.6%, primarily due to a decrease in gallons sold as a result of reduced airline operations. Fuel tax revenues are comprised of both excise and sales tax collections. The Airport receives $0.02 per gallon from excise tax collections, and 65% of the 2.9% sales tax collections.

Ground transportation revenue decreased by $11.4 million, or 57.1%, primarily due to a 54.9% reduction in O&D passengers resulting from COVID-19. The decrease in O&D passengers directly impacts total trips made by ground transportation operators. This reduction was partially offset by a rate increase for transportation network companies (TNC). Beginning in November 2019, the rate increased from $2.60 to $2.86 per pickup and drop-off.

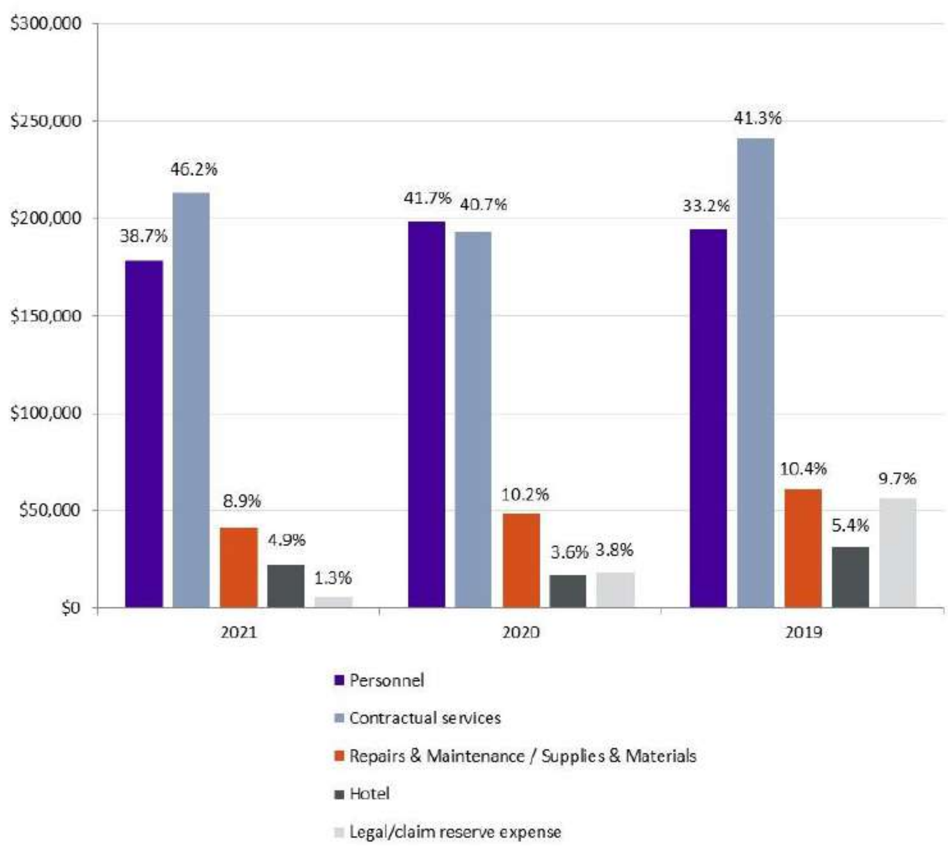
Other sales and charges revenue increased by $2.7 million, or 64.8%, due to changes in various operational revenue sources.

Summary of Operating Expenses

The following is a summary of operating expenses before depreciation and amortization for the years ended December 31, 2021, 2020, and 2019 ($ in thousands):

	2021	2020	2019	2021 / 2020 $ change	2021 / 2020 % change
Personnel	$ 178,530	$ 198,582	$ 194,317	$ (20,052)	(10.1%)
Contractual services	213,225	193,606	241,264	19,619	10.1%
Repair and maintenance projects	22,372	29,229	32,296	(6,857)	(23.5%)
Maintenance, supplies, and materials	18,867	19,092	28,649	(225)	(1.2%)
Hotel	22,458	17,378	31,446	5,080	29.2%
Legal/claim reserve expense	5,961	18,013	56,500	(12,052)	(66.9%)
Total operating expenses	$ 461,413	$ 475,900	$ 584,472	$ (14,487)	(3.0%)

Operating Expenses before Depreciation and Amortization
for the years ended December 31, 2021, 2020 and 2019
(% of total)



2021/2020

Operating expenses, exclusive of depreciation and amortization, were $461.4 million for the year ended December 31, 2021, a decrease of $14.5 million, or 3.0%, as compared to the same period in 2020. The Airport implemented several cost saving measures as a result of COVID-19 including a hiring freeze, reductions in contractual services and suspension of nonessential procurements and contracts. During 2021, the Airport lifted the hiring freeze, increased the use of contractual services, and purchased additional supplies to support the 74.4% increase in total passengers as compared to December 31, 2020.

Personnel costs decreased $20.1 million, or 10.1%, primarily due to $12.8 million decrease to pension expense associated with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). For additional information, see notes 17 and 18 to the financial statements. Also contributing to the decrease was an increase in the average vacancy rate in 2021.

Contractual services increased by $19.6 million, or 10.1%, which was impacted by the scaling back of some cost savings measures in 2020, increased total passengers traffic in 2021, and execution of new contracts.

Repair and maintenance expenses decreased by $6.9 million, or 23.5%, due to fewer non-capitalizable project expenditures during the year. For 2021, the majority of the repairs related to sewer lines as well as landside road repairs.

Maintenance, supplies, and materials decreased $0.2 million, or 1.2%, primarily due reduced snow removal chemicals and materials as a result of the light snow season, partially offset by increased cost of materials attributed to supply chain issues.

Hotel expenses increased by $5.1 million, or 29.2%, for the year ended December 31, 2021, compared to the same period in 2020. The increase is attributable to increased operating activities required to service higher occupancy and additional food & beverage business at the hotel as the industry continues to recover from COVID-19. Hotel guest room occupancy increased from 47% in 2020 to 71.1% in 2021.

Legal/claim reserve expense decreased by $12.1 million, 66.9%. For additional information, see notes 20 (c) and (d) to the financial statements.

2020/2019

Operating expenses, exclusive of depreciation and amortization, were $475.9 million for the year ended December 31, 2020, a decrease of $108.6 million, or 18.6%, as compared to the same period in 2019. The Airport implemented several cost saving measures as a result of COVID-19 including a hiring freeze, reductions in contractual services, and suspension of nonessential procurements and contracts.

Personnel costs increased $4.3 million, or 2.2%, primarily due a $4.1 million increase to pension expense associated with GASB 68 and GASB 75. For additional information, see notes 17 and 18 to the financial statements.

Contractual services decreased by $47.7 million, or 19.8%, primarily due to service level reductions and cost savings measures attributed to decreased passenger traffic, as well as deferral of non-essential services as part of Airport wide cost savings measures. Additionally, the Airport realized savings in snow removal services due to changes in operational call out procedures.

Repair and maintenance expenses decreased by $3.1 million, or 9.5%, due to fewer non-capitalizable project expenditures during the year. The decrease is primarily attributable to higher infrastructure repairs related to parking lot pavement, as well as fire protection and wildlife mitigation projects during 2019.

Maintenance, supplies, and materials decreased $9.6 million, or 33.4% primarily due to the cost saving measures.

Hotel expenses decreased by $14.1 million, or 44.7%, due to a decrease in occupancy compared to the prior year. The decrease, attributable to COVID-19, is primarily driven by lower operating costs associated with decreased room occupancy and suspended food and beverage operations, as well as furlough and temporary layoffs of hotel employees.

Legal/claim reserve expense decreased by $38.5 million, 68.1%, due to claim litigation judgment for 2014-2016 and additional claims for 2017-2019. For additional information, see notes 20 (c) and (d) to the financial statements.

Nonoperating Revenues and Expenses, Capital Grants and Capital Contributions

The following is a summary of net non-operating revenues for the years ended December 31, 2021, 2020, and 2019 ($ in thousands):

Net Nonoperating Revenues (Expenses)

	2021	2020	2019	$ change	% change
Nonoperating revenues (expenses):					
Passenger facility charges	$ 113,500	$ 64,922	$ 132,484	$ 48,578	74.8%
Customer facility charges	15,585	10,621	21,525	$ 4,964	46.7%
Investment (loss) income	(34,937)	150,043	171,096	$ (184,980)	(123.3%)
Interest expense	(221,738)	(247,293)	(270,394)	$ 25,555	(10.3%)
Stimulus funds	250,880	269,074	-	$ (18,194)	(6.8%)
Other expenses, net	(11,407)	(30,994)	(1,539)	$ 19,587	(63.2%)
Total net nonoperating revenues	$ 111,883	$ 216,373	$ 53,172	$ (104,490)	(48.3%)

2021/2020

Total nonoperating revenues decreased by $149.0 million, or 29.9%, during the year ended December 31, 2021, as compared to the same period in 2020. The decrease is primary attributable to a decrease in investment income. This decrease is attributable to changes in market value of investments. Offsetting this decrease are increases in Passenger Facility Charges (PFC), and Customer Facility Charges (CFC). The increase in PFC revenue, approximately 74.8%, is primarily the result of a 74.3% increase in enplaned passengers. The increase in CFC revenue, approximately 46.7%, is the result of a 56.4% increase in number of transaction days which was impacted by the 72.5% increase in O&D passenger traffic. In 2021, the Stimulus Funds represent $195.2 million for ARPA, $48.6 million for CRRSA, and an additional $7.1 million in operating grant revenues, as a part of CRRSA, in the form of credit relief provided to eligible concessions under the ACRGP Concessions Relief Addendum award with the FAA. In 2020, the Stimulus Funds represent $269.1 million for the CARES Act.

Total nonoperating expenses decreased $44.5 million, or 15.8%, during the year ended December 31, 2021, as compared to the same period in 2020. The decrease is primarily due to a $25.6 million, or 10.3%, decrease in interest expense associated with Airport's overall debt portfolio. In 2020, associated with the transition on development of the Great Hall Project, there has been some re-design of the project. Some of the prior design costs, $23.4 million, were determined to not be relevant under the re-design and these costs were expensed as a capital asset disposal. For 2021, there was no disposal of Great Hall Project re-design costs. Partially offsetting the decrease is a $4.8 million arbitrage payment associated with the full redemption of the 1992C bonds.

In 2021 and 2020, capital grants totaled $24.8 million and $33.8 million, respectively. These are FAA Airport Improvement Program funds for the airfield and certain equipment replacement.

2020/2019

Total nonoperating revenues increased by $170.1 million, or 51.8%, primarily attributable to revenue of $269.1 million under the CARES Act. The increase was offset by a decrease in Passenger Facility Charges (PFC), Customer Facility Charges (CFC), and investment income. The decrease in PFC revenue is the result of reductions in passenger traffic due to COVID-19. With the reduction in O&D passengers, and the number of transactions days resulted in the decrease in CFC revenue. The reduction in investment income is driven by decreases in cash and investment balances associated with the use of bond proceeds to fund the 2018-2022 Capital Program.

Total nonoperating expenses increased $6.9 million, or 2.5%. With the transition on development of the Great Hall Project, there has been some re-design of the project. Some of the prior design costs, $23.4 million, were determined to not be relevant under the re-design and these costs were expensed as a capital asset disposal. The increase was partially offset by a decrease in interest expense associated with Airport's overall debt portfolio.

In 2020 and 2019, capital grants totaled $33.8 million and $15.3 million, respectively. The increase is attributable to reimbursements for airfield expenditures under the Airport Improvement Program.

Special Item

2019

GASB issued pronouncement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments* (GASB 34). GASB 34 defines Special Item as transactions or other events within the control of management that are significant and either unusual in nature or infrequent in occurrence. On August 12, 2019, the City, for and on behalf of the Airport, exercised its right to terminate the Great Hall Agreement for convenience, with an effective termination date of November 12, 2019. A portion of the cost associated with the termination payments were determined not to be capitalizable costs. For additional information, see note 20(b) to the financial statements.

Summary of Net Position

The following is a summary of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of December 31, 2021, 2020, and 2019 ($ in thousands):

	2021	2020	2019	2021/ 2020 $ change	2021 / 2020 % change
Assets:					
Current assets, unrestricted[1]	$ 508,162	$ 249,197	$ 279,147	$ 258,965	103.9%
Current assets, restricted	463,443	503,411	547,238	(39,968)	(7.9%)
Noncurrent investments, unrestricted	954,429	752,600	835,682	201,829	26.8%
Noncurrent investments, restricted	982,175	1,479,310	2,052,930	(497,135)	(33.6%)
Long-term receivables	107,651	31,152	30,548	76,499	245.6%
Capital assets, net	5,567,215	4,838,360	4,224,698	728,855	15.1%
Bond insurance costs, net	91	114	329	(23)	(20.2%)
Interest rate swaps	2,916	4,773	4,589	(1,857)	(38.9%)
Total assets	8,586,082	7,858,917	7,975,161	727,165	9.3%
Deferred outflows of resources	91,570	108,924	131,372	(17,354)	(15.9%)
Liabilities:					
Current liabilities, unrestricted	298,226	196,162	293,992	102,064	52.0%
Current liabilities, restricted	1,051,154	298,415	281,820	752,739	252.2%
Bonds payable, noncurrent	5,418,728	5,729,750	5,955,004	(311,022)	(5.4%)
Interest rate payable swaps, noncurrent	9,902	20,112	36,097	(10,210)	(50.8%)
Notes payable, noncurrent	-	-	2,235	-	0.0%
Compensated absences payable, noncurrent	9,617	9,573	7,579	44	0.5%
Net pension liability	187,776	199,878	191,995	(12,102)	(6.1%)
Net OPEB liability	23,470	21,616	21,315	1,854	8.6%
Claim litigation reserves	80,474	74,513	56,500	5,961	8.0%
Total liabilities	7,079,347	6,550,019	6,846,537	529,328	8.1%
Deferred inflows of resources	26,289	10,634	8,351	15,655	147.2%
Net position (deficit)					
Net investment in capital assets (deficit)	(136,825)	(104,547)	(157,375)	(32,278)	30.9%
Restricted	385,941	655,032	490,723	(269,091)	(41.1%)
Unrestricted	1,322,900	856,703	918,297	466,197	54.4%
Total net position	$ 1,572,016	$ 1,407,188	$ 1,251,645	$ 164,828	11.7%

2021/2020

Total assets were $8.6 billion as of December 31, 2021, an increase of $727.2 million, or 9.3%, compared to December 31, 2020. The main contribution to the increase was an increase of $728.9 million, or 15.1%, in net capital assets, primarily due to additions to construction in progress related to the 2018-2022 Capital Program. Also contributing to the increase is an increase of $76.5 million, or 245.6%, in long-term receivables and an increase of $18.9 million, or 48.5%, in accounts receivable, mostly due to payment deferrals for the signatory airline carriers from the 2021 COVID-19 Relief Policies. In addition to these increases, there were increases in grant receivables of $11.4 million, or 57.0%, and other receivables of $21.1 million, or 299.3%. The increase in other receivables relates to realizable insurance recovery of $21.3 million related to water damage incurred in Concourse B East gate expansion. Offsetting these increases was a net decrease in total cash and investments of $129.5 million, or 4.5% due to spending associated with the 2018-2022 Capital Program as well as long-term payment deferrals resulting from the 2021 COVID-19 relief policies.

Total deferred outflows of resources decreased by $17.4 million, or 15.9% primarily due to GASB 68 changes in proportionate shares, as well as due to the amortization of deferred losses on bond refundings and the change in fair value of hedging activities. Offsetting the decrease was an increase in GASB 75 due to change in proportionate share and changes in assumptions for net OPEB liability.

Total liabilities were $7.1 billion as of December 31, 2021, an increase of $529.3 million, or 8.1%, compared to December 31, 2020. The main contribution to the increase was an increase of $724.9 million, or 361.4%, in current maturities of revenue bonds due to the issuance of the Tax-Exempt Interim Note Subordinate Obligations (2021 Interim Note), approximately $700.0 million, to assist in funding the 2018-2022 Capital Program. Additional increases included a $34.1 million, or 57.9%, increase in retainage payable due to expenditures associated with the 2018-2022 Capital Program, a $28.9 million, or 412.3%, increase in due to other city agencies attributable to the timing of payments for city services, and an increase of $29.5 million, or 27.2%, in unrestricted vouchers payable. The increase was mainly offset by a $311.0 million, or 5.4%, decrease in noncurrent bonds payable due to the full redemption of 1992C Bonds and normal redemption of revenue bond maturities and a $10.2 million, or 50.8%, reduction in the fair value of the airports derivative instrument liability.

Total deferred inflows of resources increased by $15.7 million, or 147.2%, due to changes in proportionate shares required under GASB 68 and GASB 75. This increase was offset by the amortization of deferred gain on bond refundings.

As of December 31, 2021, total net position is $1.6 billion, of which 24.6% is restricted for future debt service and capital construction. The total net position restricted for future debt service is $371.2 million. This includes the bond reserve account, bonds accounts, and the CRRSA Act Irrevocable Escrow account. The bond reserve account and bond accounts represent $522.0 million and are restricted for debt service. Effective on July 14, 2021, the Minimum Bond Reserve requirement for the senior lien was adjusted. See note 9 to the financial statements for additional information. In October 2021, the amount deposited in the CRRSA Act Irrevocable Escrow account was $48.6 million and was funded by reimbursement of debt service from CRRSA Acts. As of December 31, 2021, the remaining unused portion of the CRRSA Act Irrevocable Escrow account is $48.6 million. On April 22, 2022, the City, for and on behalf of the Airport, executed ARPA Act Irrevocable Escrow. On April 29, 2022, the City, for and on behalf of the Airport, deposited the full $204.3 million into the ARPA Act Irrevocable Escrow. The net position restricted for capital projects represent $14.7 million.

As of December 31, 2021, the remaining net position consist of unrestricted balance of $1.3 billion and a deficit net investment in capital assets of ($136.8) million. Unrestricted net position may be used to meet any of the Airport's ongoing operational needs, as such, management of the Airport has internally designated $65.8 million of its unrestricted net position amount, as allowed in the 1984 Airport System General Bond Ordinance as supplemented and amended, to help meet debt coverage requirements. Also, the Airport has internally designated $195.2 million, which represents the debt service reimbursed under the ARPA Act funds. The ARPA Act debt service reimbursements will be used to fund the ARPA Act Irrevocable Escrow. The deficit in net investment in capital assets results because the outstanding debt exceeds the net book value of the capital assets financed by the related debt.

2020/2019

Total assets were $7.9 billion as of December 31, 2020, a decrease of $116.2 million, or 1.5%, compared to December 31, 2019. The main contribution to the decrease was a reduction of $729.0 million, or 20.3%, in total cash and investments, primarily due to use of bond proceeds to fund the 2018-2022 Capital Program. Also contributing to the reduction in cash and investments is fee waivers resulting from the COVID-19 Relief Policies. Offsetting the decrease was a net increase in capital assets of $613.7 million, or 14.5%. The capital asset increase is attributable to additional capital assets entering service and a $523.5 million, or 60.2%, increase in construction in progress, offset by $210.5 million in current year depreciation. Additionally, grants receivable increased $12.5 million, or 168.8%, due to the completion of grant-eligible airfield work and remaining CARES Act funding.

Total deferred outflows of resources decreased by $22.5 million, or 17.1% primarily due to pension adjustments as required by GASB 68 and GASB 75, as well as amortization of the deferred losses on bond refundings. The decrease was partially offset by the net increase of $5.0 million associated with the refunding issuance of Series 2020C.

Total liabilities were $6.6 billion, a decrease of $296.5 million, or 4.3%, compared to December 31, 2019. The primary contribution to the decrease was a reduction of $225.3 million, or 3.8%, in noncurrent bonds payable due to scheduled bond principal payments and bond refundings. Also contributing to the decrease were reductions in vouchers payable of $49.0 million, or 30.5%, due to cost saving measures, interest rate payable on swaps of $16.0 million, or 44.3%, and due to other city agencies of $24.5, or 77.7%, attributable to the timing of the yearend payment for city services. In addition to those decreases is the annual revenue credit payable of $10.6 million, or 26.4%. Partially offsetting the decrease is an increase in retainages payable of $32.0 million, or 119.4%, due to expenditures associated with the 2018-2022 Capital Program.

Total deferred inflows of resources increased by $2.3 million, or 27.3%, primarily due to the adjustments as required under GASB 68 and GASB 75, as well as $1.4 million increase associated with the issuance of Series 2020A1. The increase was partially offset by amortization of the deferred gains on bond refundings.

As of December 31, 2020, total net position is $1.4 billion, of which 46.5% is restricted for future debt service and capital construction. The total net position restricted for future debt service is $636.4 million. This includes bond reserve account, bonds accounts, and the Irrevocable Escrow Account. The bond reserve account and bond accounts represent $497.3 million and are restricted for debt service. In September 2020, the amount deposited in the Irrevocable Escrow account was $269.1 million and funded by CARES Acts designated for debt service. As of December 31, 2020, the remaining unused portion of the Irrevocable Escrow account is $139.1 million. The net position restricted for capital projects represent $18.6 million.

As of December 31, 2020, the remaining net position consist of unrestricted balance of $856.7 million and a deficit net investment in capital assets of ($104.5) million. Unrestricted net position may be used to meet any of the Airport's ongoing operational needs, as such, management of the Airport has internally designated $65.8 million of its unrestricted net position amount, as allowed in the 1984 Airport System General Bond Ordinance as supplemented and amended, to help meet debt coverage requirements. The deficit in net investment in capital assets results because the outstanding debt exceeds the net book value of the capital assets financed by the related debt.

Long-Term Debt

As of December 31, 2021, the Airport had approximately $6.0 billion in outstanding senior and subordinate bonded debt, bearing fixed and variable interest rates. The total annual debt service (principal and interest) was approximately $493.8 million in 2021. Estimated annual debt service for 2022 will be approximately $1,163.3 million, which includes the outstanding amount, $700.0 million, of the 2021 Interim Note which is scheduled to mature on June 30, 2022. The City, for and on behalf of the Airport, plans to issue long-term financing to refund the 2021 Interim Note. Funds from the CRRSA Irrevocable Escrow and ARPA Irrevocable Escrow are expected to assist in funding for 2022 debt service.

As of December 31, 2021, the Airport's senior lien debt was rated by Standard & Poor's (S&P), Moody's, and Fitch at A+, A1, and AA-, respectively, with a stable outlook. As of December 31, 2021, the Airport's subordinate lien debt was rated by S&P, Moody's, and Fitch at A, A2, and A+, respectively with a stable outlook. On October 8, 2021, S&P affirmed the ratings for the Airport's senior and subordinate lien debt and changed the outlook from stable to positive.

The Airport's governing bond ordinances (the bond ordinance) require that the Airport's net revenues plus other available funds, as defined in the bond ordinance, be sufficient to provide debt service coverage of 125% of the annual debt service requirement on senior bonds and 110% of the aggregate annual debt service requirements on senior and subordinate bonds, and junior liens. The debt service coverage ratio on all bonds for the years ended December 31, 2021 and 2020 were 210% and 151% of total debt service, respectively.

On December 17, 2021, the City, for and on behalf of its Department of Aviation, issued private activity Airport System Subordinate Revenue Bonds, Series 2021C (Series 2021C Bonds) and issued a Note Purchase Agreement (2021 Interim Note) in the amounts of $26.2 million and $700.0 million, respectively. The proceeds from the issuance of the 2021 Interim Note are to assist in funding the 2018-2022 Capital Program and were used to pay for issuance cost. The maturity date of the 2021 Interim Note is June 30, 2022. The 2021 Interim Note bears interest at a variable rate due at maturity. The Series 2021C Bonds were issued at a fixed interest rate for the purposes of current refunding Series 2011A Bonds maturing on November 15, 2021. The Series 2021C Bonds mature on November 15, 2022.

On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively. With the execution of this Bond Purchase and Exchange Agreement there were no longer any outstanding Airport System Revenue Bonds issued prior to August 1, 2000. This adjusted the calculation of the Minimum Bond Reserve as defined within the General Bond Ordinance and reduced the Minimum Bond Reserve amount as it applies to the senior lien airport system revenue bonds. The City, for and on behalf of the Airport, filed a Voluntary Notice (see https://emma.msrb.org/P21480842-P21148170-P21561857.pdf).

On April 19, 2021, the City, for and on behalf of the Airport, issued a Notice of Full Prior Redemption of the Airport System Revenue Bonds, Series 1992C (LOI 1998/1999 bond). On May 20, 2021, the City, for and on behalf of the Airport, fully redeemed all the outstanding principal amount of $40.1 million, plus accrued interest.

On October 28, 2020, the Airport issued the Airport System Revenue Bonds Series 2020A-1 (Non-AMT Private Activity), Series 2020A-2 (Non-AMT Governmental), Series 2020B-1 (AMT), Series 2020B-2 (AMT), and Series 2020C (Taxable) for $95.3 million, $60.5 million, $37.5 million, $24.1 million, and $411.5 million, respectively. Proceeds from these 2020A-C bonds coupled with use of bond reserve and bond funds were used to (i) refund and redeem all or a portion of the outstanding principal amounts of $35.3 million, $35.5 million, $79.1 million, $114.8 million, $17.0 million, $9.0 million, $135.4 million, and $198.7 million of the Airport System Revenues Bonds Series 2007F1, Series 2007F2, Series 2008C1, Series 2010A, Series 2011A, Series 2012A, and Series 2012B, respectively, (ii) pay the costs of terminating a 2008B Swap Agreement with Loop Financial Products I, LLC ($9.6 million), and (iii) pay the costs of issuance. All the 2020A-C bonds bear interest at various fixed rates and staggered maturities through November 15, 2037. The transactions yielded a net present value savings of $58.4 million.

On July 1, 2020, the Airport entered into a credit facility and reimbursement agreement with Bank of America, N.A., who purchased the Series 2008B Bonds, bearing interest at the SIFMA Index Rate. These agreements are set to expire on July 1, 2023.

On April 28, 2020, the Airport extended the credit facility and reimbursement agreements with Bank of America for the Series 1992 F, G, Series 2002C and Series 2009C bonds through April 28, 2023.

On December 18, 2019, the Airport fully terminated the 2002 Swap Agreement with Goldman Sachs Bank. There was no cost to the Airport for the termination and it yielded a de minimis net cash inflow.

On November 15, 2019, the Airport issued the Airport System Subordinate Revenue Bonds Series 2019C (Non-AMT) (Series 2019C) and Series 2019D (Non-AMT) (Series 2019D) for $120.0 million and $83.7 million, respectively. The Series 2019C and Series 2019D proceeds coupled with Airport contributions of approximately $15.3 million were used to refund the Series 2009A and Series 2016B Bonds, terminate the 2006A Swap Agreements with JP Morgan Chase Bank ($10.6 million), and fund the costs of issuance.

On August 20, 2019, the Airport issued the Airport System Subordinate Revenue Bonds Series 2019A (AMT) (Series 2019A) and Series 2019B (Taxable) (Series 2019B) for $145.9 million and $22.7 million, respectively. The Series 2019A and Series 2019B proceeds coupled with Airport contributions of approximately $54.7 million were used to refund the Series 2008C2 and Series 2008C3 Bonds, terminate the 1998 Swap Agreements with Goldman Sachs Capital Markets, L.P. ($11.3 million) and Societe Generale ($11.4 million), New York Branch, and fund the costs of issuance.

On March 13, 2019, the Airport fully terminated the 2005 and 2006B Swap Agreements with the Royal Bank of Canada and Piper Jaffray Financial Projects, LLC. There was no cost to the Airport for the terminations and it yielded a net cash inflow of $1.19 million.

For additional information about the Airport's long-term debt, see note 9 to the financial statements.

Capital Assets

As of December 31, 2021, and December 31, 2020, the Airport had $5.6 billion and $4.8 billion, respectively, in total capital assets, net of accumulated depreciation. The net accumulated depreciation is approximately $4.0 billion in 2021 and $3.8 billion in 2020. For additional information about the Airport's capital assets, see note 6 to the financial statements.

2018-2022 Capital Program

The Airport developed a capital program for the years 2018 through 2022 (2018-2022 Capital Program). The projects included in the 2018-2022 Capital Program are periodically evaluated by the Airport with respect to their timing, costs, availability of funding, Airport cash position, any environmental issues that may arise and other factors that might affect the implementation of the 2018-2022 Capital Program. Accordingly, projects currently included in the 2018-2022 Capital Program, their timing and costs are subject to change and are reflected below.

The 2018-2022 Capital Program identifies capital projects with a total cost of approximately $4.3 billion in the following areas of the Airport:

	in billions	
Concourse A, B, C	$	2.8
Jeppesen Terminal		1.0
Airside		0.3
Landside		0.2
TOTAL	**$**	**4.3**

Concourse A, B, C:

Major projects include the concourse gate expansion, as well as renewal of existing facilities including but not limited to hold-room, signage and wayfinding upgrades, remodeling of the public restrooms, ramp replacement, and the conveyance replacement program. This includes the design and construction of new gates and associated apron, airfield, and roadway improvements on Concourse A, B and C, as well as increase the amount of airline and concessions space on each concourse. It is the Airport's current expectation that most of the additional gates and space will be revenue-producing in the near and longer term due to current airline demand. On November 20, 2020, the Airport completed four new gates on the west side of Concourse B, leased by United, as part of the Gate Expansion project. In May 2022, the Airport completed 16 new gates and 20 hold-rooms among other improvements on the east side of Concourse C. All 16 new gates are leased by Southwest and became operational. This also includes the expansion and modifications to the ground loading facilities on Concourse A (New GLF).

Jeppesen Terminal:

Major projects include the Great Hall project, baggage system upgrades, additional AGTS train sets and the AGTS car replacement program. Major projects in connection with the baggage handling system improvements consist of the development of two new checked bag resolution areas that will replace the nine existing locations; installation of new conventional baggage conveyors and individual carrier system to move bags identified for additional screening between the screening areas to the new checked bag resolution areas; modifications to the run out belts and equipment in the airline use area of level 6 and associated rights of way to accommodate upgrades; and replacement and update of baggage handling system controls, automatic tag readers, and baggage handling reporting systems to meet the latest TSA requirements. The Great Hall project includes renovations to Jeppesen Terminal designed to, among other things, enhance security of the passengers and the Airport, improve passenger flow and increase and improve concessions areas.

After termination of the Development Agreement with Great Hall Developers, who were granted an exclusive right for the renovation and reconfiguration of a portion of the Great Hall Project, the Airport projects that the design and construction costs of the Great Hall Project remain at the original budgeted amount of $770 million which includes $120 million of contingency costs. This budgeted amount includes a portion of the termination payment that represents project value costs that were originally part of the construction budget. In order to meet the original construction budget, the Airport is working to reduce the scope of the Great Hall Project without compromising the original project goals to enhance security of passengers and the Airport, improve passenger flow and increase and improve concessions areas. The construction costs are anticipated to be funded with proceeds of the Series 2018 Subordinate Bonds, amounts on deposit in the Capital Fund, and future bond issuances. In early 2020, the procurement process was completed, and the construction of the Great Hall Project resumed in the first quarter of 2020. Upon completion of the Great Hall Project, the City, for and on behalf of the Airport, expects to operate any commercial development in the Jeppesen Terminal and retain 100 percent of the revenues generated. In October 2021, the Great Hall Project completed construction of the initial phase, which consisted generally of renovations to the central Great Hall area for new airline ticketing operations, self-bag drop-units, renovated restrooms and new commercial spaces. In July 2021, construction began on the second phase of improvements to the Great Hall. These improvements consist of a new security checkpoint, widened balcony for more capacity and space at the new checkpoint, a new triple escalator from the security check to the train platform to access the AGTS system. For additional information about the Great Hall Development Agreement termination see note 20 to the financial statements.

Airside:

Major projects include rehabilitation of certain runways, taxiways, and apron areas as part of the Airport’s pavement management system; improvements to airfield drainage, safety areas, and airfield service roads; rehabilitation and installation of lighting; certain safety area upgrades and airfield planning studies. Airside projects are partly funded through the Federal Aviation Administration’s Airport Improvement Program.

Landside:

Major projects include the east bound Peña Boulevard reconstruction, realignment and various sections of roadway as well as annual pavement rehabilitation to replace deteriorating concrete. In December 2021, the first phase of eastbound Peña Boulevard was completed and operational. In addition, this includes the replacement of the revenue control system, which will improve parking services.

DEN Real Estate:

The Airport revised its land development plan which reduced the Airport's infrastructure investment requirement.

Vision 100 - 2023-2027 CIP

The Airport developed a capital improvement program for the years 2023-2027 (Vision 10 - 2023-2027 CIP). The projects included in the Vision 100 – 2023-2027 CIP are periodically evaluated by the Airport with respect to their timing, costs, availability of funding, Airport cash position, any environmental issues that may arise and other factors that might affect the implementation of the Vision 100 – 2023-2027 CIP.
The Vision 100 - 2023-2027 CIP identifies capital projects with a total cost of approximately $2.9 billion in the following areas of the Airport:

	in billions
Jeppesen Terminal	$ 1.6
Airside	0.6
Concourse Projects	0.5
Landside	0.2
TOTAL	**$ 2.9**

Jeppesen Terminal:

Included in Jeppesen Terminal is the Great Hall completion phase. The completion phase consists of a full buildout of improvements to the Jeppesen Terminal and includes a new security checkpoint with enhanced technology, relocation of certain existing checkpoints, the addition of new screening lanes, new modern and spacious ticketing spaces, new concession area, renovations to restrooms, flooring, lighting, elevators/escalators and other critical infrastructure, and added leisure spaces for travelers. In addition, the completion phase includes the development of a new Center of Excellence and Equity in Aviation (CEEA). CEEA will engage, educate, empower, motivate, and provide opportunities for under-represented students and young people who are interested and passionate about careers in aviation. Major projects in connection with the baggage handling system is to modernize the existing facilities and equipment as well as other improvements, along with upgrades to the screening system. The modernization project will replace transport conveyors, power turns, merges, high-speed diverters, motors and gearboxes, and automatic tag readers. Other improvements include replacing both domestic and international inbound/claim system. Also, the improvements include the replacement of existing conveyors located at the curbside.

Airside:

Major projects include rehabilitation and construction of certain runways, taxiways, and apron areas as part of the Airport's pavement management system; improvements to airfield drainage, deicing modernization and expansion, safety areas, and airfield service roads; rehabilitation and installation of lighting; certain safety area upgrades and airfield planning studies.

Concourse:

Major projects include the remodeling of the public restrooms throughout the concourses, the conveyance replacement and passenger loading bridge programs, and replacement of (15) AGTS cars.

Landside:

Major projects include reconstruction, realignment, and widening of various sections of Peña Boulevard both east and west bound and associated roadways as well as the replacement of deteriorating concrete. In addition, this includes rehabilitation of all six surface parking lot locations. Also included is the plug and abandonment of all the existing oil and gas drilling wells and tank batteries and removal of all flowlines.

Passenger Facility Charges (PFCs)

In 1992, the PFC program authorized the imposition of a fee of $3.00 per enplaned passenger and the use of this funding for approved projects, with certain qualifying airports permitted to charge a maximum PFC of $4.50. In 2000, the Federal Aviation Administration (FAA) approved the Airport's application for an increase in the PFC fee from $3.00 to $4.50, the revenues from which are to be used for qualified costs of the Airport, including associated debt service and approved capital projects. The Airport increased the PFC rate from $3.00 to $4.50 effective April 1, 2001.

As of December 31, 2021, a total of $2.4 billion has been remitted to the Airport (including interest earned), of which $103.9 million has been expended on approved projects. $2.4 billion has been used to pay debt service on the Airport's general airport revenue bonds, and $10.3 million is unexpended. The Airport's authorization to impose the PFC expires on the earlier of February 1, 2029, or upon collection of the authorized maximum PFC total of $3.2 billion. On May 2, 2019, the FAA approved through Final Agency Decision the City's application to impose additional PFC collections at the Airport. As a result of the decision, the PFC rate will remain the same, at $4.50, but the authorized maximum PFC collection total increased by $244.4 million to $3.5 billion through February 1, 2029. The decision is to fund already approved capital projects. On August 5, 2021, the FAA issued an Acknowledgement Letter regarding the City's application on notice of intent to impose PFC collections at the Airport. As a result of the Acknowledgement Letter, the PFC rate will remain the same, at $4.50, but authorized maximum PFC collection total increased by $136.7 million to $3.6 billion. The collection will begin on October 1, 2030 and will complete on October 1, 2031.

Customer Facility Charges (CFCs)

Effective January 1, 2014, the Airport imposed a CFC of $2.15 per Rental Car Transaction Day. The CFC is imposed pursuant to the provisions of Chapter 5 and Sections 5-15 and 5-16 of the Revised Municipal Code of the City and County of Denver. The CFC shall be established through a cost recovery methodology based on the estimated costs associated with the management of, improvements to, and expansion of the existing rental car facility area and related transportation facilities and the planning and design of future phases of the rental car program.

Request for Information

This financial report is designed to provide a general overview of the Airport's finances for all those with an interest. Questions concerning any of the information presented in this report or requests for additional information should be addressed to the Finance Department, Denver International Airport, Airport Office Building, 8th Floor, 8500 Pena Boulevard, Denver, CO 80249-6340.

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT
FINANCIAL STATEMENTS

Statements of Net Position

December 31, 2021 and 2020 ($ in thousands)

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 57,688	$ 19,761
Investments	308,599	142,453
Accounts receivable,		
net of allowance of $2,763 and $2,726, respectively	57,816	38,920
Due from other City agencies	807	1,146
Accrued interest receivable	6,693	7,953
Grants receivable	31,299	19,935
Customer facility charges receivable	1,539	239
Other receivables	28,241	7,072
Inventories	9,182	9,297
Prepaid expenses and other	6,298	2,421
Total current unrestricted assets	508,162	249,197
Restricted assets:		
Cash and cash equivalents	113,758	189,631
Investments	317,570	280,004
Accrued interest receivable	3,256	6,102
Prepaid expenses and other	14,692	18,620
Passenger facility charges receivable	14,167	9,054
Total current restricted assets	463,443	503,411
Total current assets	971,605	752,608
Noncurrent assets:		
Investments - unrestricted	954,429	752,600
Long-term accounts and loans receivable, net of current portion	107,651	31,152
Capital assets (non-depreciable):		
Art	7,376	7,376
Capacity rights	12,400	12,400
Construction in progress	1,747,240	1,393,010
Land, land rights and air rights	295,766	295,766
Capital assets (depreciable):		
Buildings and Improvements	6,309,971	5,836,833
Machinery and equipment	1,154,318	1,048,021
Less: accumulated depreciation and amortization	3,959,856	3,755,046
Total capital assets	5,567,215	4,838,360
Prepaid bond insurance	91	114
Interest rate swaps	2,916	4,773
Investments - restricted	982,175	1,479,310
Total noncurrent assets	7,614,477	7,106,309
Total assets	8,586,082	7,858,917
Deferred outflows of resources	91,570	108,924
Total assets and deferred outflows	$8,677,652	$7,967,841

See accompanying notes to financial statements

Statements of Net Position

December 31, 2021 and 2020 ($ in thousands)

	2021	2020
Liabilities		
Current liabilities:		
Unrestricted:		
Vouchers payable	$ 137,991	$ 108,481
Due to other city agencies	35,879	7,004
Compensated absences payable	2,255	2,524
Other liabilities	46,735	8,179
Revenue credit payable	40,000	29,439
Advance rent	35,366	40,535
Total current unrestricted liabilities	298,226	196,162
Restricted:		
Vouchers payable	1,696	3,295
Retainages payable	92,949	58,870
Accrued interest and matured coupons	24,861	27,005
Note payable	-	2,235
Other liabilities	6,178	6,415
Revenue bonds	925,470	200,595
Total current restricted liabilities	1,051,154	298,415
Total current liabilities	1,349,380	494,577
Noncurrent liabilities:		
Bonds payable:		
Revenue bonds, net of current portion	5,083,180	5,352,925
Plus: net unamortized premiums	335,548	376,825
Total bonds payable, noncurrent	5,418,728	5,729,750
Interest rate swaps	9,902	20,112
Compensated absences payable	9,617	9,573
Net pension liability	187,776	199,878
Net OPEB liability	23,470	21,616
Claim litigation reserves	80,474	74,513
Total noncurrent liabilities	5,729,967	6,055,442
Total liabilities	7,079,347	6,550,019
Deferred inflows of resources	26,289	10,634
Net Position		
Net deficit in capital assets	(136,825)	(104,547)
Restricted for:		
Capital projects	14,692	18,622
Debt service	371,249	636,410
Unrestricted	1,322,900	856,703
Total net position	1,572,016	1,407,188
Total liabilities, deferred inflows and net position	$8,677,652	$ 7,967,841

See accompanying notes to financial statements

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020 ($ in thousands)

	2021	2020
Operating revenues:		
Facility rentals	$ 187,007	$ 226,837
Landing fees	150,575	135,708
Parking	147,809	88,259
Car rental	75,703	45,993
Concession	69,120	45,216
Hotel	43,674	24,481
Aviation fuel tax	21,626	9,789
Ground transportation	13,848	8,575
Other sales and charges	7,034	6,952
Total operating revenues	716,396	591,810
Operating expenses:		
Personnel	178,530	198,582
Contractual services	213,225	193,606
Repair and maintenance projects	22,372	29,229
Maintenance, supplies and materials	18,867	19,092
Hotel	22,458	17,378
Legal/claim reserve expense	5,961	18,013
Total operating expenses	461,413	475,900
Operating income, before depreciation and amortization	254,983	115,910
Less: Depreciation and amortization	226,852	210,513
Operating income (loss)	28,131	(94,603)
Nonoperating revenues (expenses):		
Passenger facility charges	113,500	64,922
Customer facility charges	15,585	10,621
Investment (loss) gain income	(34,937)	150,043
Interest expense	(221,738)	(247,293)
Stimulus funds	250,880	269,074
Other expenses, net	(11,407)	(30,994)
Total net nonoperating revenues	111,883	216,373
Change in net position before capital grants and contributions	140,014	121,770
Capital grants and contributions	24,814	33,773
Change in net position	164,828	155,543
Net position, beginning of year	1,407,188	1,251,645
Net position, end of year	$ 1,572,016	$ 1,407,188

See accompanying notes to financial statements

Statements of Cash Flows

Years Ended December 31, 2021 and 2020 ($ in thousands)

	2021	2020
Cash flows from operating activities:		
Receipts from customers	$ 664,507	$ 572,139
Payments to suppliers	(229,341)	(241,153)
Interfund activity payments to other funds	(19,459)	(23,852)
Payments to employees	(161,171)	(174,629)
Net cash provided by operating activities	254,536	132,505
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt	726,220	-
Principal paid on notes payable and capital leases	(2,235)	(2,192)
Principal paid on revenue bonds	(240,675)	(208,090)
Interest paid on revenue bonds	(250,931)	(258,203)
Other bond costs	(4,820)	-
Interest paid on notes payable	(27)	(71)
Capital grant receipts	14,099	27,657
CARES Act grant receipts	6,402	262,672
CRRSA Act grant receipts	48,641	-
ARPA Act grant receipts	195,188	-
Passenger facility charges	108,387	71,653
Customer facility charges	14,285	12,311
Purchases of capital assets	(932,418)	(842,211)
Purchase of capital assets - Great Hall Termination	-	(29,461)
Payment of Special Item	-	(24,534)
Payments to escrow for current refunding of debt	(30,415)	(19,945)
Payments to escrow for advanced refunding of debt	-	(2,111)
Proceeds from sale of capital assets	677	670
Net insurance claim (recovery) costs - capital asset	(1,120)	-
Net cash used in capital and related financing activities	(348,742)	(1,011,855)
Cash flows from investing activities:		
Purchases of investments	(1,050,122)	(503,465)
Proceeds from sales and maturities of investments	1,141,717	1,325,208
Net (loss) gain on interest, dividends, and cash equivalents	(37,035)	150,607
Payments to maintain assets held for disposal	(22)	(99)
Insurance recoveries for Stapleton environmental remeditiation	22	-
Net cash provided by investing activities	56,260	972,251
Net (decrease) increase in cash and cash equivalents	(37,946)	92,901
Cash and cash equivalents, beginning of year	209,392	116,491
Cash and cash equivalents, end of year	$ 171,446	$ 209,392

(continued)

Statements of Cash Flows

Years Ended December 31, 2021 and 2020 ($ in thousands)

	2021	2020
Reconciliation of operating income to net cash provided by operating activities:		
Operating (loss) income	$ 28,131	$ (94,603)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	226,852	210,513
Changes in assets and liabilities:		
Receivables, net of allowance	(95,302)	4,849
Due from other city agencies	339	(1,146)
Inventories	114	1,316
Prepaid expenses and other	(3,878)	1,333
Deferred outflows - pension	1,738	10,559
Vouchers and other payables	12,246	16,165
Deferred rent	(5,169)	534
Due to other city agencies	28,875	(24,463)
Compensated absences	(225)	1,939
Net pension liability	(12,103)	7,884
Net OPEB liability	1,854	301
Deferred inflows - pension	16,223	1,733
Claim litigation reserve	5,961	18,013
Other operating liabilities	48,880	(22,422)
Net cash provided by operating activities	$ 254,536	$ 132,505

Noncash activities:

	2021	2020
Unrealized gain (loss) on investments	$ (96,175)	$ 64,589
Unrealized gain on interest rate swaps	8,353	5,445
Amortization of bond premiums, deferred losses on bond refundings, and prepaid bond insurance	28,482	23,575
Bond refunding transactions:		
Proceeds from bond issuance	28,900	660,608
Payments to ecrow agent:		
Current refunding	(28,900)	(247,853)
Advanced refunding	-	(399,452)
Swap termination	-	(9,645)
Cost of issuance	-	(3,569)
Capital assets in vouchers payable and retainage payable	136,405	119,659
Net (loss) on disposal of capital assets	(29,868)	(40,950)

See accompanying notes to financial statements

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT
NOTES TO FINANCIAL STATEMENTS

(1) Organization and Reporting Entity

(a) Nature of Operations

Pursuant to Article XX of the State of Colorado Constitution and the City and County of Denver, Colorado (the City) Charter, the City acquired, owns, operates, and maintains certain airport facilities. These facilities include Denver International Airport (the Airport) and certain assets of Stapleton International Airport (Stapleton) and are referred to herein as the City and County of Denver Municipal Airport System (the Airport or Airport System). The Airport is operated as the Department of Aviation, with a Chief Executive Officer appointed by and reporting to the Mayor.

The Airport consists of a landside terminal building, hotel, transit center, three airside concourses, six runways, roadways, and ancillary facilities on a 53-square mile site. Stapleton was closed to all air traffic on February 27, 1995. See note 7 for further discussion.

(b) Reporting Entity

The accompanying financial statements present only the Airport enterprise fund and are not intended to present fairly the financial position of the City, the changes in its financial position, or where applicable, its cash flows in conformity with accounting principles generally accepted in the United States of America.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Airport is an enterprise fund of the City and, as such, is an integral part of the City. An enterprise fund is established to account for an activity that is financed with debt secured solely by a pledge of net revenues from fees and charges of the activity or when laws and regulations require that the activity's costs of providing services, including capital costs (such as depreciation or capital debt service), be recovered with fees and charges rather than with taxes or similar revenues. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). As an enterprise fund, the Airport uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as incurred (flow of economic resources measurement focus).

(b) Cash and Cash Equivalents

City investments attributed to the Airport that have original maturities of three months or less from the purchase date are classified as cash equivalents. See note 4 for further discussion.

(c) Investments

Investments, which the City manages, are reported at fair value, which is primarily determined based on significant other observable inputs at December 31, 2021 and 2020. The Airport's investments are maintained in pools at the City and include U.S. treasury securities, U.S. agency securities, corporate bonds, multinational fixed income, structured products, commercial paper, local government investment pools, municipal bonds, and money market funds. The City's investment policy can be viewed at https://www.denvergov.org/content/dam/denvergov/Portals/344/documents/transparency/investments/Investment_Policy.pdf.

(d) Inventories

Inventories consist of materials and supplies valued at cost or net realizable value.

(e) Capital Assets

Capital assets are recorded at historical cost and consist of buildings, roadways, airfield improvements, machinery and equipment, infrastructure, intangibles, land, and land rights at the Airport. Donated capital assets are reported at their acquisition value as of the date of acquisition. Repairs and maintenance are expensed as incurred, unless they have the effect of improving or extending the life of an asset, in which case they are capitalized as part of the cost of the asset. Costs associated with ongoing construction activities of the Airport are included in construction in progress. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Depreciation is recorded using the straight-line method over the following estimated useful lives:

Buildings	20 - 40 years
Roadways	30 - 40 years
Runways/taxiways	30 - 40 years
Other improvements	15 - 40 years
Major system equipment	15 - 25 years
Vehicles and other equipment	5 - 10 years
Intangibles	3 - 5 years

(f) Prepaid Bond Insurance, Deferred Gains (Losses) on Bond Refundings, and Unamortized Premiums (Discounts)

Bond insurance premiums are recorded as assets and amortized over the life of the insurance policy using the effective interest method. Premiums (discounts) on bonds payable are recorded as liabilities or contra-liabilities and amortized over the life of bonds using the effective interest method. Unamortized premiums on bonds are recorded as an addition to the face amount of the bonds payable. Gains (losses) on bond refundings are deferred and amortized over the life of the old bonds, or the remaining life of the refunding bonds, whichever is shorter, using the effective interest rate method. Gains (losses) on bond refundings are recorded as deferred inflows or outflows of resources, respectively.

(g) Compensated Absences Payable

Accumulated vested sick and vacation benefits are recorded as an expense and a liability as benefits accrue to employees. The Airport uses the vesting method for estimating sick leave compensated absences payable.

(h) Advance Rent

Advance rent is recorded when rental payments are received by the Airport, for periods subsequent to the reporting period and prior to when the Airport has a legal right claim to the payments as revenue. Included in advance rent are customer credits and deposits.

(i) Pensions and Other Postemployment Benefits (OPEB)

For purposes of recording the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources relating to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Denver Employees' Retirement Plan (DERP) and additions to/reductions from DERP's fiduciary net position have been determined on the same basis as they are reported by DERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(j) Net Position

2021

As of December 31, 2021, total net position is $1.6 billion, of which 24.6% is restricted for future debt service and capital construction. The total net position restricted for future debt service is $371.2 million. This includes bond reserve account, bonds accounts, and the CRRSA Act Irrevocable Escrow Account. The bond reserve account and bond accounts represent $522.0 million and are restricted for debt service. Effective on July 14, 2021, the Minimum Bond Reserve requirement for the senior lien was adjusted. See note 9 to the financial statements for additional information. In October 2021, the amount deposited in the CRRSA Act Irrevocable Escrow account was $48.6 million and funded by reimbursement of debt service from CRRSA Acts. As of December 31, 2021, the remaining unused portion of the CRRSA Act Irrevocable Escrow account is $48.6 million. The net position restricted for capital projects represent $14.7 million.

As of December 31, 2021, the remaining net position consist of unrestricted balance of $1.3 billion and a deficit net investment in capital assets of ($136.8) million. Unrestricted net position may be used to meet any of the Airport's ongoing operational needs, as such, management of the Airport has internally designated $65.8 million of its unrestricted net position amount, as allowed in the 1984 Airport System General Bond Ordinance as supplemented and amended, to help meet debt coverage requirements. Also, the Airport has internally designated $195.2 million, which represents the debt service reimbursed under the ARPA Act funds. The ARPA Act debt service reimbursements will be used to fund the ARPA Act Irrevocable Escrow. The deficit in net investment in capital assets results because the outstanding debt exceeds the net book value of the capital assets financed by the related debt.

2020

The Airport assets and deferred outflows exceeded liabilities and deferred inflows by $1.4 billion as of December 31, 2020, a $155.5 million, or 12.4%, increase in net position from December 31, 2019. As of December 31, 2020, 46.5% of the net position is restricted for future debt services and capital construction. The total net position restricted for future debt service is $636.4 million. The bond reserve account and bond accounts represent $497.3 million. On September 8, 2020, the City, for and on behalf of the Airport, executed an Irrevocably Committed Escrow Agreement (Irrevocable Escrow). The purpose of the Irrevocable Escrow is to secure and pay the debt service for senior and/or subordinate Lien debt. The amount deposited in the Irrevocable Escrow account was $269.1 million and funded by CARES Acts designated for debt service. As of December 31, 2020, the remaining balance in the Irrevocable Escrow account is $139.1 million. The net position restricted for capital projects represent $18.6 million.

The remaining net position included unrestricted net position of $856.7 million which may be used to meet any of the Airport's ongoing operations. Management of the Airport internally designated $65.8 million of its unrestricted net position amount, as allowed for in the 1984 Airport System General Bond Ordinance, as supplemented and amended, to help meet debt covenant coverage requirements.

In addition, ($104.5) million represents the Airport's investment in capital assets less the related debt outstanding to finance those capital assets. The deficit in net investment in capital assets results because the outstanding debt exceeds the net book value of the capital assets financed by the related debt.

(k) Restricted and Unrestricted Resources

Uses of restricted and unrestricted resources are made on a case-by-case basis by management depending on overall requirements. Generally, management applies restricted resources and then unrestricted resources when both restricted and unrestricted resources are available to pay an expense.

(l) Operating Revenues and Expenses

The statements of revenues, expenses, and changes in net position distinguish operating revenues and expenses from nonoperating activity and capital contributions. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Airport's principal ongoing operations. The principal operating revenues of the Airport are charges to airline tenants for facility rentals, landing fees and parking. Operating expenses include the cost of providing services, administrative costs, and depreciation on capital assets.

(m) Nonoperating Revenues and Expenses

All revenues and expenses not meeting the above definition of operating revenues and expenses are reported as nonoperating revenues and expenses or capital contributions. Such items include Passenger Facility Charges (PFCs), Car Rental Customer Facility Fees (CFCs), interest expense, and investment income. Also included is the CARES Act funding.

(n) Governmental Grants

The Airport periodically receives grant revenues from federal agencies which are either for capital projects or operating purposes. Revenue is considered earned as the related approved capital outlays or expenses are incurred by the Airport. Revenues from capital grants are reported as capital contributions on the statements of revenues, expenses, and changes in net position, and revenues from operating grants are reported as operating revenues.

(o) Rates and Charges

The Airport establishes annually, as adjusted semi-annually, airline facility rentals, landing fees, and other charges sufficient to recover the costs of operations (excluding certain debt service payments), maintenance, and debt service related to the airfield and the space rented by the airlines. Any differences between amounts collected from and actual costs allocated to the airlines' leased space are credited or billed to the airlines.

50% of Net Revenues (as defined by the bond ordinance) remaining at the end of the year with an annual cap of $40.0 million (Airline Revenue Credit) are to be credited in the following year to the airline rates and charges. As of December 31, 2021, and December 31, 2020 the Airline Revenue Credit liability balance is $40.0 million and $29.4 million, respectively, and is reported in the statements of net position as revenue credit payable.

(p) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

(q) Reclassifications

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 financial statement presentation. These reclassifications had no effect on the change in total net position.

(3) New Accounting Standards

Effective GASB statements impacting the Airport.

Issued in April 2018, GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88), is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Implementation of this statement is effective fiscal year 2019. On April 14, 2020, GASB issued an Exposure Draft on Postponement of the Effective Dates of Certain Authoritative Guidance. On May 6, 2020, GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), which postpones GASB 88's effective date to reporting periods beginning after June 15, 2019. The Airport elected to implement this standard in fiscal year 2020. The adoption of GASB 88 did not have an impact on the Airport's net position at December 31, 2020.

Issued in May 2020, GASB 95, postpones the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later in light of the COVID-19 pandemic. The adoption of GASB 95 resulted in postponing effective dates of following announcements:

> Statement No. 87, *Leases* (GASB 87): fiscal years beginning after June 15, 2021 and all reporting periods thereafter.
>
> Statement No. 93: *Replacement of Interbank Offered Rates* (GASB 93): fiscal years beginning after June 15, 2021.

Issued in October 2021, GASB Statement No. 98, *The Annual Comprehensive Financial Report* (GASB 98), establishes the term Annual Comprehensive Financial Reports and its acronym ACFR. The new term and acronym replace the instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. GASB 98 was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. GASB 98 is effective for fiscal years ending after December 15, 2021. The Airport has implemented GASB 98 for fiscal year 2021.

Future GASB Statements:

Issued in June 2017, GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of this statement is effective for fiscal year 2020. GASB 87 effective date is postponed to reporting periods beginning after June 15, 2021. The Airport is currently evaluating the impact of this statement on its financial statements.

Issued in March 2020, GASB 93 establishes accounting and financial reporting implications related to the replacement of Interbank Offered Rates in hedging derivative instruments and leases. Implementation of this statement is effective for fiscal year 2021. GASB 93 effective date is postponed to reporting periods beginning after June 15, 2021. The Airport is currently evaluating the impact of this statement on its financial statements.

Issued in May 2020, GASB Statement No. 96, *Subscription-Based Technology Arrangements (SBITAs)* (GASB 96) establishes standards of accounting and financial reporting for SBITAs by a government end user. GASB 96 defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability. GASB 96 also provides the capitalization criteria for outlays other than subscription payments, including SBITA implementation costs as well as note disclosure requirements for SBITAs. Implementation of this statement is effective for fiscal years beginning after June 15, 2022. The Airport is currently evaluating the impact of this statement on its financial statements.

(4) Cash and Cash Equivalents

(a) Deposits

As a department of the City, the Airport System's deposits are pooled with the City's. Deposits are subject to, and are in accordance with, the State of Colorado's Public Deposit Protection Act (the PDPA). In addition, the City's Investment Policy (the Policy) requires that certificates of deposit be purchased from institutions that are certified as eligible public depositories. Under the PDPA, all uninsured deposits exceeding the amount insured by the FDIC, are to be fully collateralized with specific approved securities identified in the act valued at 102% of the deposits. The eligible collateral pledged must be held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe by rule and regulation, or may be segregated from the other assets of the eligible public depository and held in its own trust department. All collateral so held must be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. Deposits collateralized under the PDPA are considered collateralized with securities held by the pledging financial institution's trust department or agent in the "City's name." At December 31, 2021, the amount of the Airport's deposits was $9.5 million. At December 31, 2020, the amount of the Airport's deposits was $7.6 million.

(b) Investments

The Airport's investments are managed by the City and are subject to the Policy of the City. The objectives of the City's Policy, in order of priority are to maintain principal, to ensure the availability of funds to meet obligations promptly, and to maximize yield on the investment portfolio. The City's Policy applies to all investment activity of the City under the control of the City Chief Financial Officer (City CFO), including investments of certain monies related to business-type activities, and trust and agency funds. The City's Policy does not apply to the investments of the deferred compensation plan or component units. Other monies that may from time to time be deposited with the City CFO for investment shall also be administered in accordance with the Policy.

The City Charter, Section 2.5.3(c), and Denver Revised Municipal Code, Section 20-21, authorizes the type of investments that the City can hold. The Policy generally requires that investments shall be managed in accordance with portfolio theory management principles to compensate for actual or anticipated changes in market interest rates. To the extent possible, investment maturity will be matched with anticipated cash flow requirements of each investment pool. Additionally, to the extent possible, investments will be diversified by security type and obligor. This diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Deviations from expectations shall be reported in a timely fashion and appropriate action taken to control adverse developments.

At December 31, 2021 and 2020, respectively, the Airport's cash, cash equivalents, and investment balances were as follows ($ in thousands):

	December 31, 2021	December 31, 2020
Cash and cash equivalents (including cash on hand)	$ 171,446	$ 209,392
Municipal bonds	71,506	88,675
Commercial paper	158,170	-
Corporate bonds	376,763	410,853
Multinational fixed income	261,111	303,427
Structured products	214,402	261,013
U.S. treasury securities	775,285	594,898
U.S. agency securities	705,536	995,501
	$ 2,734,219	$ 2,863,759

Fair Value Measurement: The Airport categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Airport currently does not maintain securities classified as level 1 or Level 3. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Fixed income securities and derivatives within all asset classes that are classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call feature, and ratings. Matrix pricing issued to value securities based on the securities' relationship to benchmark quoted prices. Such securities include U.S. Treasuries, corporate bonds, and structured products. Level 2 fixed income securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Investment derivative instruments determination of fair value consists of a two-step process. First settlement prices are determined by utilizing the income approach under GASB 72 from "mid-market" pricing data available from public and subscription sources. The second step is to determine the credit valuation adjustment for the derivative instruments. The purpose of the credit valuation adjustment is to quantify the nonperformance risk of the reporting entity as well as the nonperformance risk of the counterparty. Fair value is then determined as the settlement price of the derivative instrument adjusted by the credit valuation adjustment of both the reporting entity's payment obligation and the counterparty's payment obligation.

At December 31, 2021, the Airport has the following recurring fair value measurements ($ in thousands):

	Fair value measurements			
Asset	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Commercial paper	$ 158,170	$ -	$ 158,170	$ -
Corporate bonds	376,763	-	376,763	$ -
Multinational fixed income	261,111	-	261,111	-
Municipal bonds	71,506	-	71,506	-
Structured products	214,402	-	214,402	-
U.S. agency securities	705,536	-	705,536	-
U.S. treasury securities	775,285	-	775,285	-
Total investments	2,562,773	-	2,562,773	-
Net liability derivative instruments interest rate swaps	$ 6,986	$ -	$ 6,986	$ -

At December 31, 2020, the Airport has the following recurring fair value measurements ($ in thousands):

		Fair value measurements		
Asset	Fair value	Level 1	Level 2	Level 3
Corporate bonds	$ 410,853	$ -	$ 410,853	$ -
Multinational fixed income	303,427	-	303,427	-
Municipal bonds	88,675	-	88,675	-
Structured products	261,013	-	261,013	-
U.S. agency securities	995,501	-	995,501	-
U.S. treasury securities	594,898	-	594,898	-
Total investments	2,654,367	-	2,654,367	-
Net liability derivative instruments interest rate swaps	$ 15,339	$ -	$ 15,339	$ -

The City invests in two Local Government Investment Pools, CSAFE and Colotrust. CSAFE and Colotrust are regulated by state statute so that the funds held are fully collateralized. As of December 31, 2021, the Airport has balances of $37.3 million and $75.5 million in CSAFE and Colotrust, respectively, included in cash and cash equivalents. As of December 31, 2020, the Airport has balances of $19.8 million and $42.2 million in CSAFE and Colotrust, respectively. CSAFE measures all of its investments at $1 net asset per share or amortized cost. Colotrust maintains a stable net asset value of $1 per share using the fair value method.

A reconciliation of cash, cash equivalents, and investment balances as shown in the basic financial statements as of December 31, 2021 and 2020, is as follows ($ in thousands):

	December 31, 2021	December 31, 2020
Unrestricted cash and cash equivalents	$ 57,688	$ 19,761
Unrestricted investments	1,263,028	895,053
Restricted cash equivalents	113,758	189,631
Restricted investments	1,299,745	1,759,314
	$ 2,734,219	$ 2,863,759

Interest Rate Risk: Interest rate risk is the risk that changes in the financial market rates of interest will adversely affect the value of an investment. Per the City's Policy, commercial paper can have a maximum maturity of 270 days, U.S. Treasury and Agency securities can have a maximum maturity of 10 years, and structured products, such as Mortgage Pass-Through Securities and Collateralized Mortgage Obligations can have a maximum of 31 years. The City manages interest rate risk for investments under the control of the City CFO by limiting their maximum maturity of investments.

At December 31, 2021, the Airport's investment balances and maturities, in years, for those investments subject to interest rate risk were as follows ($ in thousands):

		Investments maturity in years			
Investment type	**Fair value**	**Less than 1**	**1-5**	**6-10**	**10+**
Commercial paper	$ 158,170	$ 158,170	$ -	$ -	$ -
Municipal bonds	71,506	13,177	58,329	-	-
U.S. treasury securities	775,285	275,577	329,352	170,356	-
U.S. agency securities	705,536	73,308	528,149	101,877	2,202
Corporate bonds	376,763	46,975	324,699	5,089	-
Multinational fixed income	261,111	50,745	191,466	18,900	-
Structured products	214,402	8,217	143,699	59,990	2,496
Total	$ 2,562,773	$ 626,169	$ 1,575,694	$ 356,212	$ 4,698

At December 31, 2020, the Airport's investment balances and maturities, in years, for those investments subject to interest rate risk were as follows ($ in thousands):

		Investments maturity in years			
Investment type	**Fair value**	**Less than 1**	**1-5**	**6-10**	**10+**
Municipal bonds	$ 88,675	$ 16,332	$ 69,543	$ 2,800	$ -
U.S. treasury securities	594,898	173,901	303,348	117,649	-
U.S. agency securities	995,501	129,091	705,328	161,082	-
Corporate bonds	410,853	67,887	342,966	-	-
Multinational fixed income	303,427	21,994	238,375	43,058	-
Structured products	261,013	13,252	219,067	28,694	-
Total	$ 2,654,367	$ 422,457	$ 1,878,627	$ 353,283	$ -

As of December 31, 2021, the Airport portfolio included callable corporate bond, asset backed security, collateral mortgage obligation, and U. S. Agency securities with a fair value of $222.4 million, $122.0 million, $84.8 million, and $5.1 million, respectively. If a callable investment is purchased at a discount, the maturity date is assumed to be the maturity date of the investment. If the investment is bought at a premium, the maturity date is assumed to be the call date.

Credit Quality Risk: Credit quality risk is the risk that an issuer or other counterparty to a debt security will not fulfill its obligation to the City. Moody's Investors Service (Moody's), Standard & Poor's (S&P), and Fitch are the three primary Nationally Recognized Securities Rating Organizations (NRSRO) that assess this risk and assign a credit quality rating for most investments. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are assigned credit quality ratings AAA or its equivalent. Of the City's investments at December 31, 2021, commercial paper, U.S. Agency securities and local government investment pools were subject to credit quality risk. The City's Policy requires that commercial paper be rated by at least two of the NRSRO's and have a minimum short-term rating of A-1, P-1, and or F-1 at the time of purchase. The Policy also requires the local government investment pools be in conformity with Title 24, Article 75 Part 7 of the Colorado Revised Statutes and have an office in Denver.

As of December 31, 2021, the Airport's investments complied with the City's Policy. More than 5.0% of Airport investments in U.S. Agency securities are in individual issuers: Federal Home Loan Bank 11.9% and Federal National Mortgage Association 7.9%.

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of failure, the Airport System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name, and are held by either the counterparty to the investment purchase or are held by the counterparty's trust department or agent but not held in the City's name.

None of the Airport System's investments owned at December 31, 2021, were subject to custodial credit risk.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single type of investment, or in a single issuer. The City's Policy states that a maximum of 5% of the portfolio, based on market value, may be invested in commercial paper, municipal securities, corporate debt obligations, or certificates of deposit issued by any one provider. The Policy limits investments in money market funds, local government investment pool and supranationals to 10% per provider. Investments in money market funds, local government investment pools are limited to 25% of total investments with asset-back securities and municipal securities limited to 15% of the portfolio. Corporate bonds are limited to 20% of total investments and federal agency securities limited to 80% of the portfolio.

Foreign Currency Risk: Foreign Currency risk is the risk that changes in exchange rates will adversely affect their value of an investment or deposit. The City's Policy does not allow for investments in foreign currency.

As of December 31, 2021, all investments complied with this policy.

(5) Accounts and Long-Term Receivables

(a) Allowance for Doubtful Accounts

Management of the Airport reviews accounts receivables periodically and an allowance for doubtful accounts has been established based upon management's assessment of the probability of collection. As of December 31, 2021 and 2020, an allowance of $2.8 million and $2.7 million, respectively, was established.

(b) Long-Term Receivables

Issued in November 2020 and effective in January 2021, the Airport implemented relief policies (2021 COVID-19 Relief Policies) for revenue contracts providing payment deferrals and certain fee waivers. For the signatory airlines, participants must maintain payment compliance through the policy term and were required to pay 75% of their fixed and variable rate billings as outlined in the Use and Lease Agreements for 2021. The remaining 25% of these billings must be paid over the next five years in equal annual installments starting in 2022 with each installment due by September 30th. The outstanding payment deferrals will be charged the U.S. Treasury Note rate based on the 5-year Daily Treasury Par Yield Curve rate effective on February 1, 2022, which was 1.63%. This rate is fixed over the repayment term. The equal annual installments are as follows ($ in thousands):

		Amount
Year:		
2022	$	19,904
2023		18,252
2024		18,252
2025		18,252
2026		18,252
Total	$	92,912

The installments due for 2023-2026 are included in Long-term accounts and loans receivable, net of current portion on the Statement of Net Position.

(c) Loan Receivable

Included in long-term receivable, approximately $4.8 million notes receivable related to solar panel installation and approximately $27.0 million loans due from two districts, representing the principal amount due. The Districts are reimbursing the Airport for funding the construction and infrastructure of the rail station at 61st Boulevard and Pena Boulevard for infrastructure work around the Airport property. Each loan bears interest at 5.0% with interest compounded and due semiannually on June 1st and December 1st with principal due annually on December 1st. The outstanding loan balance plus any accrued and unpaid interest, included in the table below, will be repaid from ad valorem taxes. The loans are capped at $41.6 million. The projected future collections are as follows ($ in thousands):

	Amount
Year:	
2022	$ 149
2023	202
2024	248
2025	424
2026	705
2027-2031	6,366
2032-2036	9,316
2037-2041	11,021
2042-2046	12,168
2047	577
Total	$ 41,176

The installments due for 2023-2047 are included in Long-term accounts and loans receivable, net of current portion on the Statement of Net Position.

(6) Capital Assets

Changes in capital assets for the years ended December 31, 2021 and 2020 were as follows ($ in thousands):

	2021				
	January 1, 2021	Additions	Transfers and reclassifications	Reductions	December 31, 2021
Non depreciable capital assets					
Art	$ 7,376	$ -	$ -	$ -	$ 7,376
Capacity rights	12,400	-	-	-	12,400
Construction in progress	1,393,010	992,141	(606,712)	(31,199)	1,747,240
Land, land rights, and air rights	295,766	-	-	-	295,766
Total non depreciable capital assets	1,708,552	992,141	(606,712)	(31,199)	2,062,782
Depreciable capital assets					
Buildings and improvements	4,459,137	-	412,459	(6,128)	4,865,468
Machinery and equipment	1,048,021	459	111,532	(5,694)	1,154,318
Infrastructure and land improvements	1,345,181	-	82,488	(15,404)	1,412,265
Intangibles	32,515	-	233	(510)	32,238
Total depreciable capital assets	6,884,854	459	606,712	(27,736)	7,464,289
Less accumulated depreciation					
Buildings and improvements	(2,242,908)	(133,180)	-	5,656	(2,370,432)
Machinery and equipment	(795,100)	(45,192)	-	5,614	(834,678)
Infrastructure and land improvements	(686,906)	(46,811)	-	10,262	(723,455)
Intangibles	(30,132)	(1,669)	-	510	(31,291)
Total accumulated depreciation	(3,755,046)	(226,852)	-	22,042	(3,959,856)
Total depreciable capital assets, net	3,129,808	(226,393)	606,712	(5,694)	3,504,433
Total capital assets	$ 4,838,360	$ 765,748	$ -	$ (36,893)	$ 5,567,215

In December 2021, water damage occurred to the Concourse B-East expansion project, which caused and asset impairment of approximately $24.1 million. Approximately $21.4 million of the loss is recoverable through insurance proceeds.

	2020				
	January 1, 2020	Additions	Transfers and reclassifications	Reductions	December 31, 2020
Non depreciable capital assets					
Art	$ 7,344	$ -	$ 32	$ -	$ 7,376
Capacity rights	12,400	-	-	-	12,400
Construction in progress	869,515	865,571	(311,113)	(30,963)	1,393,010
Land, land rights, and air rights	295,766	-	-	-	295,766
Total non depreciable capital assets	1,185,025	865,571	(311,081)	(30,963)	1,708,552
Depreciable capital assets					
Buildings and improvements	4,299,531	34	176,826	(17,254)	4,459,137
Machinery and equipment	974,696	189	79,032	(5,896)	1,048,021
Infrastructure and land improvements	1,306,005	-	55,140	(15,964)	1,345,181
Intangibles	32,432	-	83	-	32,515
Total depreciable capital assets	6,612,664	223	311,081	(39,114)	6,884,854
Less accumulated depreciation					
Buildings and improvements	(2,138,950)	(125,061)	10,062	11,041	(2,242,908)
Machinery and equipment	(758,890)	(36,524)	(5,476)	5,790	(795,100)
Infrastructure and land improvements	(648,511)	(45,436)	(4,586)	11,627	(686,906)
Intangibles	(26,640)	(3,492)	-	-	(30,132)
Total accumulated depreciation	(3,572,991)	(210,513)	-	28,458	(3,755,046)
Total depreciable capital assets, net	3,039,673	(210,290)	311,081	(10,656)	3,129,808
Total capital assets	$ 4,224,698	$ 655,281	$ -	$ (41,619)	$ 4,838,360

(7) Disposal of Stapleton

The City ceased aviation operations at Stapleton upon the opening of the Airport on February 28, 1995 and all property has been disposed. Certain portions of Stapleton were acquired with proceeds from federal grants, which provide for the return of certain federal funds. In addition, certain portions of the property are also subject to deed restrictions, under which the property would revert to the United States government. The City is able to seek releases from the grant assurances and deed restrictions from the Secretary of Transportation as dispositions occur, provided that: 1) the property is sold at fair market value, and 2) the proceeds are used to develop, improve, and construct the Airport. The City intends to continue to seek such releases and, in accordance with certain Use and Lease Agreements, use any net proceeds from sales of Stapleton to retire or defease subordinate debt.

The current and anticipated costs accrued in restricted other liabilities for the environmental liability for Stapleton as of December 31, 2021 and 2020 were $2.7 million and $2.7 million, respectively. The Airport has accrued $5.2 million and $5.2 million of insurance recoveries in accounts receivable at December 31, 2021 and 2020. The Airport received no insurance recovery payments for 2021 and de minimis recovery payments during 2020.

(8) Due to Other City Agencies

The City provides various services to the Airport, including data processing, investing, financial services, budgeting, engineering, and personnel (including airport police and fire salaries). Billings from the City, both direct and indirect, during 2021 and 2020 totaled $65.0 million and $68.1 million, respectively, and have been included in operating expenses. The outstanding liability to the City and its related agencies in connection with these services totaled $35.9 million and $7.0 million at December 31, 2021 and 2020, respectively.

(9) Bonds Payable

Changes in long-term debt for the years ended December 31, 2021 and 2020 were as follows ($ in thousands):

	2021					
	January 1, 2021	Additions	Refunded debt	Retirements	December 31, 2021	Amounts due within one year
Senior lien bonds	$ 1,824,230	$ -	$ (30,415)	$ (98,450)	$ 1,695,365	$ 104,170
Subordinate lien bonds	3,176,130	-	-	(20,150)	3,155,980	36,220
Direct Placement						
Senior lien bonds	262,155	28,900	(28,900)	(35,000)	227,155	30,800
Subordinate lien bonds	250,925	726,220	-	(46,995)	930,150	754,280
Total Airport System revenue bonds	5,513,440	755,120	(59,315)	(200,595)	6,008,650	925,470
Economic defeasance	40,080	-	-	(40,080)	-	-
Plus unamortized net premiums	376,825	-	-	(41,277)	335,548	-
Total bond debt	$ 5,930,345	$ 755,120	$ (59,315)	$ (281,952)	$ 6,344,198	$ 925,470
Less current portion					(925,470)	
Noncurrent portion					$ 5,418,728	

	2020					
	January 1, 2020	Additions	Refunded debt	Retirements	December 31, 2020	Amounts due within one year
Senior lien bonds	$ 1,850,030	$ 628,905	$ (545,615)	$ (109,090)	$ 1,824,230	$ 98,450
Subordinate lien bonds	3,196,475	-	-	(20,345)	3,176,130	20,150
Direct Placement						
Senior lien bonds	376,555	-	(79,100)	(35,300)	262,155	35,000
Subordinate lien bonds	294,280	-	-	(43,355)	250,925	46,995
Total Airport System revenue bonds	5,717,340	628,905	(624,715)	(208,090)	5,513,440	200,595
Economic defeasance	40,080	-	-	-	40,080	-
Plus unamortized net premiums	413,874	31,703	(30,109)	(38,643)	376,825	-
Total bond debt	$ 6,171,294	$ 660,608	$ (654,824)	$ (246,733)	$ 5,930,345	$ 200,595
Less current portion					(200,595)	
Noncurrent portion					$ 5,729,750	

The Airport has issued bonds, bearing fixed and variable interest rates, collateralized by and payable from Airport Net Revenues, as defined in the 1984 Airport System General Bond Ordinance as supplemented and amended (Bond Ordinance) and the 1990 Airport System General Subordinate Bond Ordinance as supplemented and amended (Subordinate Bond Ordinance). Interest on fixed rate bonds is payable semi-annually. The variable rate bonds are issued in weekly mode (except for the Series 2007G1-G2 Bonds which were reset in a daily mode). Auction rate bonds carried interest rates that are periodically reset for 7-day periods. On October 28, 2020, the auction rate bonds were refunded with the Series 2020A-2 and bear interest at a fixed rate. As such, the actual interest rate on the bonds will vary based on market conditions in the short-term tax-exempt bond market.

The maturity dates, interest rates, and principal amounts outstanding as of December 31, 2021 and December 31, 2020 are as follows ($ in thousands):

Bond	Maturity	Interest rate	Amount outstanding December 31, 2021	Amount outstanding December 31, 2020
Senior lien bonds				
Series 2009B	November 15, 2036 to 2039	6.41%	$ 65,290	$ 65,290
Series 2011A	November 15, 2022	0.00%	-	71,330
Series 2012A	November 15, 2022 to 2025, and 2031 to 2043	4.00-5.00%	116,885	124,160
Series 2012B	November 15, 2022 to 2025, 2031, and 2038 to 2043	4.00-5.00%	276,355	282,725
Series 2012C	November 15, 2026	3.59%	30,285	30,285
Series 2016A	November 15, 2023 to 2025, and 2031 to 2032	5.00%	207,020	210,430
Series 2017A	November 15, 2022 to 2024, and 2026 to 2030	5.00%	172,785	186,095
Series 2017B	November 15, 2033	5.00%	21,280	21,280
Series 2019C	November 15, 2026 to 2036	5.00%	120,005	120,005
Series 2019D	November 15, 2026 to 2031	5.00%	83,725	83,725
Series 2020A-1	November 15, 2022 to 2024, 2026, 2029, and 2032	5.00%	90,790	95,330
Series 2020A-2	November 15, 2022 to 2025	5.00%	46,930	60,515
Series 2020B-1	November 15, 2022 to 2025	5.00%	28,420	37,465
Series 2020B-2	November 15, 2025	5.00%	24,060	24,060
Series 2020C	November 15, 2022 to 2037	0.821 - 2.867%	411,535	411,535
Subordinate lien bonds				
Series 2013A	November 15, 2022 to 2043	4.00-5.50%	295,220	299,830
Series 2013B	November 15, 2022 to 2043	5.00-5.25%	357,025	363,620
Series 2018A	December 1, 2022 to 2048	3.75-5.25%	2,320,110	2,328,795
Series 2018B	December 1, 2022 to 2048	3.50-5.00%	183,625	183,885
Direct Placement				
Senior lien bonds				
Series 1992F, G*	November 15, 2022, and 2024 to 2031	0.00%	-	28,900
Series 2002C*	November 15, 2022 to 2023, and 2026 to 2031	0.48%	17,200	20,400
Series 2007G1-G2*	November 15, 2022 to 2031	0.97%	92,800	100,000
Series 2008B*	November 15, 2022 to 2031	0.48%	35,100	40,400
Series 2009C*	November 15, 2022, and 2026 to 2031	0.48%	56,455	72,455
Series 2021A-B*	November 15, 2022, and 2024 to 2031	0.48%	25,600	-
Subordinate lien bonds				
Series 2015A	November 15, 2023 to 2025	2.20%	99,540	117,655
Series 2019A	November 15, 2022, 2024 and 2030	1.37%	104,390	133,270
Series 2021 Interim Note*	June 30, 2022	0.21%	700,000	-
Series 2021C	November 15, 2022	0.51%	26,220	-
LOI of Airport System				
LOI 1998/1999	November 15, 2024 and 2025	0.00%	-	40,080
Total revenue bonds			6,008,650	5,553,520
Less current portion			(925,470)	(200,595)
Net unamortized premiums			335,548	376,825
Total bonds payable noncurrent			$ 5,418,728	$ 5,729,750

* Variable rates are as of December 31, 2021

Most of the Airport term bonds are subject to certain mandatory redemption requirements and most of the Airport bonds are subject to certain optional redemption provisions. Certain of the Airport bonds are subject to certain mandatory sinking fund redemption requirements.

(a) Economic Defeasances

On November 1, 1999, the Airport entered into an economic defeasance of $54.9 million of Airport Revenue Bonds through the use of certain 1998 and 1999 federal grant proceeds from the United States Department of Transportation under a 1990 Letter of Intent. These funds were set aside in special escrow accounts (Escrow A and Escrow B) held by the City. Escrow A proceeds were used to pay principal and interest on $40.1 million of the Series 1992C (LOI 1998/1999) Bonds maturing on November 15, 2025. Escrow B proceeds were used to pay principal and interest on $14.8 million of the Series 1991D Bonds which matured on November 15, 2013. On May 20, 2021, these bonds were fully redeemed.

The economically defeased bonds are considered outstanding for the purposes of the General Bond Ordinance and were not considered legal defeasances or in-substance defeasances under US GAAP and, therefore, the bonds remained outstanding in the accompanying financial statements.

(b) Bond and Note Issuances

On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively. With the execution of this Bond Purchase and Exchange Agreement there were no longer any outstanding Airport System Revenue Bonds issued prior to August 1, 2000.

On December 17, 2021, the City, for and on behalf of its Department of Aviation, issued private activity Airport System Subordinate Revenue Bonds, Series 2021C (Series 2021C Bonds) and issued a Note Purchase Agreement (2021 Interim Note) in the amounts of $26.2 million and $700.0 million, respectively. The proceeds from the issuance of the 2021 Interim Note are to assist in funding the 2018-2022 Capital Program and were used to pay for issuance cost. The maturity date of the 2021 Interim Note is June 30, 2022. The 2021 Interim Note bears interest at a variable rate due at maturity. The Series 2021C Bonds were issued at a fixed interest rate for the purpose of current refunding of Series 2011A Bonds which matured on November 15, 2021. The Series 2021C Bonds mature on November 15, 2022.

On October 28, 2020, the Airport issued the Airport System Revenue Bonds Series 2020A-1 (Non-AMT Private Activity), Series 2020A-2 (Non-AMT Governmental), Series 2020B-1 (AMT), Series 2020B-2 (AMT), and Series 2020C (Taxable) for $95.3 million, $60.5 million, $37.5 million, $24.1 million, and $411.5 million, respectively. Proceeds from these 2020A-C bonds coupled with use of bond reserve and bond funds were used to (i) refund and redeem all or a portion of the outstanding principal amounts of $35.3 million, $35.5 million, $79.1 million, $114.8 million, $17.0 million, $9.0 million, $135.4 million, and $198.7 million of the Airport System Revenues Bonds Series 2007F1, Series 2007F2, Series 2008C1, Series 2010A, Series 2011A, Series 2012A, and Series 2012B, respectively, (ii) pay the costs of terminating a 2008B Swap Agreement with Loop Financial Products I, LLC, and (iii) pay the costs of issuance. All the 2020A-C bonds bear interest at various fixed rates and staggered maturities through November 15, 2037. The transactions yielded a net present value savings of $58.4 million.

(c) Defeased Bonds

The Airport has defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. As of December 31, 2021, and December 31, 2020, $396.7 million and $392.2 million, respectively, of bonds outstanding are considered defeased.

(10) Bond and Notes Payable Debt Service Requirements

(a) Bonds Payable

Bond debt service requirements of the Airport for bonds payable to maturity as of December 31, 2021 are as follows ($ in thousands):

	Senior lien bonds		Subordinate lien bonds		Direct Placement Seninor lien bonds		Direct Placement Subordinate lien bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Year:										
2022	$ 104,170	$ 71,741	$ 36,220	$ 154,978	$ 30,800	$ 3,520	$ 754,280	$ 7,637	$ 925,470	$ 237,876
2023	165,225	63,922	47,030	153,167	16,290	3,067	32,020	3,256	260,565	223,412
2024	145,125	56,623	47,150	150,866	19,900	2,797	57,905	2,545	270,080	212,831
2025	171,540	50,089	45,500	148,498	17,975	2,480	60,025	1,451	295,040	202,518
2026	101,650	40,948	106,885	146,203	22,110	2,198	4,830	477	235,475	189,826
2027-2031	548,775	156,753	589,565	643,981	120,080	5,679	21,090	984	1,279,510	807,397
2032-2036	256,605	72,070	661,945	486,789	-	-	-	-	918,550	558,859
2037-2041	159,150	29,818	691,955	320,913	-	-	-	-	851,105	350,731
2042-2046	43,125	2,623	652,905	157,280	-	-	-	-	696,030	159,903
2047-2048	-	-	276,825	19,948	-	-	-	-	276,825	19,948
Total	$ 1,695,365	$ 544,587	$ 3,155,980	$ 2,382,623	$ 227,155	$ 19,741	$ 930,150	$ 16,350	$ 6,008,650	$ 2,963,301

(b) Notes Payable

Notes Payable – The Airport entered into a $20.5 million Master Installment Purchase Agreement with Sovereign Leasing, LLC on January 10, 2012, to finance capital equipment purchases, at a rate of 1.9595% based on a 30/360 calculation for 2012. This note was paid in full in 2021.

Changes in notes payable as of December 31, 2021 and 2020 were as follows ($ in thousands):

	Balance January 1, 2021	Additions	Retirements	Balance December 31 2021	Amounts due within one year
Note payable	$ 2,235	$ -	$ (2,235)	$ -	$ -
Less current portion				-	
Noncurrent portion				$ -	

	Balance January 1, 2020	Additions	Retirements	Balance December 31 2020	Amounts due within one year
Note payable	$ 4,427	$ -	$ (2,192)	$ 2,235	$ 2,235
Less current portion				(2,235)	
Noncurrent portion				$ -	

(11) Direct Placement and Direct Loans

As of December 31, 2021, and 2020, the Airport held directly placed debt as detailed below:

Series:	**2008B(2)**	**2009C**	**1992F(3)**	**1992G(3)**
Par Outstanding at 12/31/2021 (000)	$ 35,100	$ 56,455	$ -	$ -
Par Outstanding at 12/31/2020 (000)	$ 40,400	$ 72,455	$ 15,800	$ 13,100
Lien	Senior	Senior	Senior	Senior
Bond Maturity Date	11/15/2031	11/15/2031	11/15/2031	11/15/2031
Facilty and Reimbursement Agreement Type As of 12/31/2021	Credit	Credit	Credit	Credit
Financial Institution:	Bank of America, N.A.	Bank of America, N.A.	Banc of America Preferred Funding Corporation	Banc of America Preferred Funding Corporation
Terms:				
Execution Date	7/1/2020	4/28/2017	10/24/2014	10/24/2014
Initial Expiration Date	7/1/2023	4/28/2020	9/25/2017	9/25/2017
Amended Expiration Date	n/a	4/28/2023	9/25/2020	9/25/2020
2nd Amended Expiration Date	n/a	n/a	4/28/2023	4/28/2023
Index Rate				
12/31/2021	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate
12/31/2020	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate
Applicable Factor	n/a	n/a	70.0%	70.0%
Applicable Spread as of 12/31/2021	0.37%	0.37%	0.37%	0.37%
Applicable Spread as of 12/31/2020	0.37%	0.37%	0.37%	0.37%
Increase in Applicable Spread Due To Credit:				
Rating Downgrade	Yes(1)	Yes(1)	Yes(1)	Yes(1)
Margin Rate Factor	n/a	n/a	n/a	n/a
Rate Formula	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread
Moody's Rating as of 12/31/2021	A1	A1	n/a	n/a
Moody's Rating as of 12/31/2020	A1	A1	A1	A1
S&P Rating as of 12/31/2021	A+	A+	n/a	n/a
S&P Rating as of 12/31/2020	A+	A+	A+	A+
Fitch Rating as of 12/31/2021	AA-	AA-	n/a	n/a
Fitch Rating as of 12/31/2020	AA-	AA-	AA-	AA-

(1) See Applicable Spread table
(2) New Credit Facility and Reimbursement Agreement was executed in 2020 with Bank of America, N.A.
(3) These bond series were refunded with the 2021A and 2021B series

Series:	2002C	2007G1	2007G2	2021A
Par Outstanding at 12/31/2021 (000)	$ 17,200	$ 46,300	$ 46,500	$ 14,000
Par Outstanding at 12/31/2020 (000)	$ 20,400	$ 49,900	$ 50,100	$ -
Lien	Senior	Senior	Senior	Senior
Bond Maturity Date	11/15/2031	11/15/2031	11/15/2031	11/15/2031
Facilty and Reimbursement Agreement Type As of 12/31/2021	Credit	Credit	Credit	Credit
Financial Institution:	Banc of America Preferred Funding Corporation	BMO Harris Investment Corp.	BMO Harris Investment Corp.	Banc of America Preferred Funding Corporation
Terms:				
Execution Date	9/25/2014	11/1/2014	11/1/2014	7/1/2021
Initial Expiration Date	9/25/2017	12/1/2023	12/1/2023	4/26/2023
Amended Expiration Date	9/25/2020	n/a	n/a	n/a
2nd Amended Expiration Date	4/28/2023	n/a	n/a	n/a
Index Rate				
12/31/2021	SIFMA Index Rate	1-month LIBOR Rate	1-month LIBOR Rate	SIFMA Index Rate
12/31/2020	SIFMA Index Rate	1-month LIBOR Rate	1-month LIBOR Rate	n/a
Applicable Factor	n/a	70.0%	70.0%	n/a
Applicable Spread as of 12/31/2021	0.37%	0.90%	0.90%	0.37%
Applicable Spread as of 12/31/2020	0.37%	0.90%	0.90%	n/a
Increase in Applicable Spread Due To Credit:				
Rating Downgrade	Yes(1)	Yes(1)	Yes(1)	Yes(1)
Margin Rate Factor	n/a	n/a	n/a	n/a
Rate Formula	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread
Moody's Rating as of 12/31/2021	A1	A1	A1	A1
Moody's Rating as of 12/31/2020	A1	A1	A1	n/a
S&P Rating as of 12/31/2021	A+	A+	A+	A+
S&P Rating as of 12/31/2020	A+	A+	A+	n/a
Fitch Rating as of 12/31/2021	AA-	AA-	AA-	AA-
Fitch Rating as of 12/31/2020	AA-	AA-	AA-	n/a

(1) See Applicable Spread table
(2) New Credit Facility and Reimbursement Agreement was executed in 2020 with Bank of America, N.A.
(3) These bond series were refunded with the 2021A and 2021B series

Series:	2021B	2015A	2019A	2021C	2021 Interim Note
Par Outstanding at 12/31/2021 (000)	$ 11,600	$ 99,540	$ 104,390	$ 26,220	$ 700,000
Par Outstanding at 12/31/2020 (000)	$ -	$ 117,655	$ 133,270	$ -	$ -
Lien	Senior	Subordinate	Subordinate	Subordinate	Subordinate
Bond Maturity Date	11/15/2031	11/15/2025	11/15/2030	11/15/2022	6/30/2022
Facilty and Reimbursement Agreement Type As of 12/31/2021	Credit	Credit	Credit	Bond Purchase Agreement	Note Purchase Agreement
Financial Institution:	Banc of America Preferred Funding Corporation	Bank of America, N.A.	State Street Public Lending Corporation	Bank of America, N.A.	Bank of America, N.A.
Terms:					
Execution Date	7/1/2021	11/20/2015	8/27/2019	12/17/2021	12/17/2021
Initial Expiration Date	4/26/2023	11/15/2025	11/15/2025	11/15/2022	6/30/2022
Amended Expiration Date	n/a	n/a	n/a	n/a	n/a
2nd Amended Expiration Date	n/a	n/a	n/a	n/a	n/a
Index Rate					
12/31/2021	SIFMA Index Rate	Fixed Rate	Fixed Rate	Fixed Rate	SIFMA Index Rate
12/31/2020	n/a	Fixed Rate	Fixed Rate	n/a	n/a
Applicable Factor	n/a	n/a	n/a	n/a	n/a
Applicable Spread as of 12/31/2021	0.37%	n/a	n/a	n/a	0.11%
Applicable Spread as of 12/31/2020	n/a	n/a	n/a	n/a	n/a
Increase in Applicable Spread Due To Credit:					
Rating Downgrade	Yes(1)	n/a	n/a	n/a	n/a
Margin Rate Factor	n/a	n/a	n/a	n/a	n/a
Rate Formula	Rate Formula Index Rate x Applicable Factor + Applicable Spread	n/a	n/a	n/a	n/a
Moody's Rating as of 12/31/2021	A1	n/a	n/a	n/a	n/a
Moody's Rating as of 12/31/2020	n/a	n/a	n/a	n/a	n/a
S&P Rating as of 12/31/2021	A+	n/a	n/a	n/a	n/a
S&P Rating as of 12/31/2020	n/a	n/a	n/a	n/a	n/a
Fitch Rating as of 12/31/2021	AA-	n/a	n/a	n/a	n/a
Fitch Rating as of 12/31/2020	n/a	n/a	n/a	n/a	n/a

(1) See Applicable Spread table
(2) New Credit Facility and Reimbursement Agreement was executed in 2020 with Bank of America, N.A.
(3) These bond series were refunded with the 2021A and 2021B series

On July 29, 2011 and August 8, 2011, the Airport entered into a Liquidity Facility and Reimbursement Agreement (Liquidity Agreement) with Wells Fargo, who purchased the Series 2008B and 2008C1 Bonds, respectively, at a floating rate indexed to 1-month LIBOR. On December 11, 2015, this agreement was amended, and the expiration date was extended to December 11, 2020. On July 1, 2020, the Airport entered into a credit facility and reimbursement agreement with Bank of America, N.A., who purchased the Series 2008B Bonds, bearing interest at the SIFMA Index Rate. These agreements are set to expire on July 1, 2023. On October 28, 2020, the Airport issued the Airport System Revenue Bonds Series 2020A-1 (Non-AMT Private Activity), Series 2020A-2 (Non-AMT Governmental), Series 2020B-1 (AMT), Series 2020B-2 (AMT), and Series 2020C (Taxable) for $95.3 million, $60.5 million, $37.5 million, $24.1 million, and $411.5 million, respectively. This redeemed the 2008C1 bonds outstanding principal balance.

On October 1, 2012, the Airport entered into a Credit Facility and Reimbursement Agreement (Credit Agreement) with U.S. Bank National Association, who purchased the Series 2009C Bonds at a floating rate indexed to 1-month LIBOR. This agreement was set to expire on April 30, 2017. On April 28, 2017, the Airport entered into a Credit Agreement with Bank of America, N.A., who purchased the Series 2009C Bonds at a floating indexed to 1-month LIBOR. This agreement expired on April 28, 2020. On April 28, 2020, the Airport amended the agreement to extend the expiration date to April 28, 2023 and the floating rate index changed to SIFMA index rate.

On October 24, 2014, the Airport entered into Credit Agreements with Banc of America Preferred Funding Corporation who purchased the Series 1992F, G Bonds at a floating rate indexed to 1-month LIBOR. These agreements expired on September 25, 2017. These agreements were extended and expired on September 25, 2020. On April 28, 2020, the Airport amended the agreement to extend the expiration date to April 28, 2023. The index shall remain the 1-month LIBOR rate with the option to change to the SIFMA index rate prior to September 25, 2020. On September 25, 2020, the floating rate index changed to the SIFMA index rate. On June 15,2020, the Airport converted the index rate from a 1-month LIBOR rate to a SIFMA index rate. On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements and a Credit Facility and Reimbursement Agreement with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively.

On September 25, 2014, the Airport entered into Credit Agreements with Banc of America Preferred Funding Corporation, who purchased the Series 2002C Bonds at a floating rate indexed to 1-month LIBOR. This agreement expired on September 25, 2017. These agreements were extended and expired on September 25, 2020. On April 28, 2020, the Airport amended the agreement to extend the expiration date to April 28, 2023. The index shall remain the 1-month LIBOR rate with the option to change to the SIFMA index rate prior to September 25, 2020. On September 25, 2020, the floating rate index changed to the SIFMA index rate. On June 15, 2020, the Airport converted the index rate from a 1-month LIBOR rate to a SIFMA index rate.

On November 1, 2014, the Airport entered into Credit Agreements with BMO Harris Investment Corp. who purchased the Series 2007G1-G2 Bonds at a floating rate indexed to 1-month LIBOR. This agreement expires on December 1, 2023.

On November 20, 2015, the Airport entered into Credit Agreement with Bank of America, N.A., who purchased the Series 2015A Bonds at a fixed interest rate. The Series 2015A Bonds mature on November 15, 2025.

On August 20, 2019, the Airport entered into Credit Agreements with State Street Public Leasing Corporation, who purchased the Series 2019A-B Bonds at a fixed interest rate. The Series 2019A (AMT) matures on November 15, 2030 with a Mandatory Tender of $25.9 million due on November 15, 2025, and the Series 2019B (Taxable) matures on November 15, 2020.

On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively. With the execution of this Bond Purchase and Exchange Agreement there were no longer any outstanding Airport System Revenue Bonds issued prior to August 1, 2000.

On December 17, 2021, the City, for and on behalf of its Department of Aviation, issued private activity Airport System Subordinate Revenue Bonds, Series 2021C (Series 2021C Bonds) and issued a Note Purchase Agreement (2021 Interim Note) in the amounts of $26.2 million and $700.0 million, respectively. The proceeds from the issuance of the 2021 Interim Note are to assist in funding the 2018-2022 Capital Program and were used to pay for issuance cost. The maturity date of the 2021 Interim Note is June 30, 2022. The 2021 Interim Note bears interest at a variable rate due at maturity. The Series 2021C Bonds were issued at a fixed interest rate for the purpose of current refunding of Series 2011A Bonds which matured on November 15, 2021. The Series 2021C Bonds mature on November 15, 2022.

Some of these bonds may be periodically remarketed to banks and the bank owners and can change before reaching maturity or are otherwise paid. These are certain events which could result in a higher interest rate and/or an acceleration of amounts due on these bonds. These events are described in the event filed on the Municipal Securities Rulemaking Boards (MSRB) Electronic Municipal Market Access (EMMA) site using the following links:

Credit Facility Bond Series

2008B	https://emma.msrb.org/SS1490948.pdf	Second Amended and Restated Reimbursement Agreement
2009C	https://emma.msrb.org/SS1480419.pdf	First Amendment to Credit Facility and Reimbursement Agreement
1992F	https://emma.msrb.org/SS1480106.pdf	Second Amended and Restated Reimbursement Agreement
1992G	https://emma.msrb.org/SS1480107.pdf	Second Amended and Restated Reimbursement Agreement
2002C	https://emma.msrb.org/SS1480109.pdf	Amended and Restated Credit Facility and Reimbursement Agreement
2019A	https://emma.msrb.org/ER1380040.pdf	Credit Facility and Reimbursement Agreement
2019B	https://emma.msrb.org/ER1380040.pdf	Credit Facility and Reimbursement Agreement
2021A	https://emma.msrb.org/P21489462-P11171100-P11586834.pdf	Credit Facility and Reimbursement Agreement
2021B	https://emma.msrb.org/P21489462-P11171100-P11586834.pdf	Credit Facility and Reimbursement Agreement
2021C	https://emma.msrb.org/P21533161-P11197861-P11616050.pdf	Bond Purchase Agreement
2021 Interim Note	https://emma.msrb.org/P21533161-P11197861-P11616050.pdf	Note Purchase Agreement

For some bond series, the Reimbursement Agreements or Note Purchase Agreements are not available on EMMA. These bonds series have the same event of default requirements as other bond series. Below is a list of the similar event of defaults sections within the Credit Agreements as of December 31, 2021 and December 31, 2020:

Similar Event of Defaults as of December 31, 2021:

Senior Lien				Subordinate Lien		Subordinate Lien	
Similar Event of Defaults		Similar Event of Defaults		Similar Event of Defaults		Similar Event of Defaults	
Sections with Credit Agreement	Series	Sections with Credit Agreement	Series	Sections with Credit Agreement	Series	Note Purchase Agreement	Note
Section 5.10	2008B(1)	Section 6.10	2021A(1)	Section 5.7	2015A(2)	Section 6.10	2021 Interim Note (Loan)
Section 5.11	1992F(1)	Section 6.12	2021B(1)	Section 5.8	2019A(1)	Section 6.12	2021C
Section 5.13	1992G(1)	Section 6.14(b)		Section 5.10(b	2019B(1)	Section 6.14(b)	
Section 5.15(b	2002C(1)	Section 6.16		Section 6.1(a)		Section 6.16	
Section 5.17	2009C(1)	Section 7.1(a)		Section 6.1(b)		Section 7.1(a)	
Section 5.22	2007G1(2)	Section 7.1(b)		Section 6.1(e)		Section 7.1(b)	
Section 5.25	2007G2(2)						
Section 5.26							
Section 6.1(a)							
Section 6.1(b)							
Section 6.1(f)							
Section 6.1(j)							

(1) Event of Default Sections of the Credit Agreement can be viewed on EMMA for language.
(2) Although details of the Event of Default sections are not posted on EMMA, the related sections are posted on EMMA for other bond series. There are no difference in the requirements of these bonds.

Similar Event of Defaults as of December 31, 2020:

Senior Lien		Subordinate Lien	
Similar Event of Defaults		Similar Event of Defaults	
Sections with Credit Agreement	Series	Sections with Credit Agreement	Series
Section 5.10	2008B(2)	Section 5.7	2015A(2)
Section 5.11	1992F(2)	Section 5.8	2019A(1)
Section 5.13	1992G(2)	Section 5.10(b	2019B(1)
Section 5.15(b	2002C(2)	Section 6.1(a)	
Section 5.17	2009C(2)	Section 6.1(b)	
Section 5.22	2007G1(2)	Section 6.1(e)	
Section 5.25	2007G2(2)		
Section 5.26			
Section 6.1(a)			
Section 6.1(b)			
Section 6.1(f)			
Section 6.1(j)			

(1) Event of Default Sections of the Credit Agreement can be viewed on EMMA for language.
(2) Although details of the Event of Default sections are not posted on EMMA, the related sections are posted on EMMA for other bond series. There are no difference in the requirements of these bonds.

As of December 31, 2021, and 2020, the Airport has not defaulted on any of the events of defaults.

Applicable spread:

The variable rate interest due on these bonds is contingent on the related index and the related Senior Bond Ratings. If the Airport Senior Bond Rating adjusts so does the applicable spread basis points used to calculate the interest due. Below are the applicable spreads for each variable rate Bond Series:

Applicable spread upon credit ratings downgrade as of December 31, 2021:

Credit Facility Bond Series	Moody's	S&P	Fitch	Applicable Spread
2007G1&G2	A1 or higher	A+ or higher	A+ or higher	90 basis points (0.90%)
	A2	A	A	116 basis points (1.16%)
	A3	A-	A-	143 basis points (1.43%)
	Baa1	BBB+	BBB+	172 basis points (1.72%)
	Baa2	BBB	BBB	203 basis points (2.03%)

Refer to the EMMA posting noted above for detailed information regarding the Applicable Spread upon Credit Ratings for each of the following Series: 2008B, 2009C, 1992F, 1992G, and 2002C. Although not posted to EMMA, the Applicable Spread upon Credit Ratings for Series 2021A and 2021B is the same as Series 2008B, 2009C, 1992F, 1992G, and 2002C.

For the Series 2008B, 2009C, 1992F, 1992G, 2002C, 2021A, and 2021B, in the event the Airport maintains Senior Bond ratings from each of Moody's, S&P and Fitch, known as the Rating Agencies, and two of such Senior Bond ratings are equivalent, the Applicable Spread shall be based upon the Level in which the two equivalent Senior Bond ratings appears; if Senior Bond Ratings are assigned by all three Rating Agencies and no two such Senior Bond Ratings are equivalent, the Applicable Spread shall be based upon the Level in which the middle Senior Bond Rating appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are not equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings appears. Any change in the Applicable Spread resulting from a reduction, withdrawal, suspension or unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

For Series 2007G1 & G2, in the event the Airport maintains Senior Bond ratings assigned by all three Rating Agencies, the Applicable Spread shall be based upon the Level in which the lower of the two highest Senior Bond Ratings appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are no equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings Appears. Any change in the Applicable Spread resulting from a reduction, which, suspension or unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

Through maturity, the 2021 Interim Note has a fixed Applicable Spread rate of 0.11%.

Applicable spread upon credit ratings downgrade as of December 31, 2020:

Credit Facility Bond Series	Moody's	S&P	Fitch	Applicable Spread
2007G1&G2	A1 or higher	A+ or higher	A+ or higher	90 basis points (0.90%)
	A2	A	A	116 basis points (1.16%)
	A3	A-	A-	143 basis points (1.43%)
	Baa1	BBB+	BBB+	172 basis points (1.72%)
	Baa2	BBB	BBB	203 basis points (2.03%)

Refer to the EMMA posting noted above for detailed information regarding the Applicable Spread upon Credit Ratings for each of the following Series: 2008B, 2009C, 1992F, 1992G, and 2002C.

For the Series 2008B, 2009C, 1992F, 1992G, and 2002C, in the event the Airport maintains Senior Bond ratings from each of Moody's, S&P and Fitch, known as the Rating Agencies, and two of such Senior Bond ratings are equivalent, the Applicable Spread shall be based upon the Level in which the two equivalent Senior Bond ratings appears; if Senior Bond Ratings are assigned by all three Rating Agencies and no two such Senior Bond Ratings are equivalent, the Applicable Spread shall be based upon the Level in which the middle Senior Bond Rating appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are not equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings appears. Any change in the Applicable Spread resulting from a reduction, withdrawal, suspension or unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

For Series 2007G1 & G2, in the event the Airport maintains Senior Bond ratings assigned by all three Rating Agencies, the Applicable Spread shall be based upon the Level in which the lower of the two highest Senior Bond Ratings appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are no equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings Appears. Any change in the Applicable Spread resulting from a reduction, which, suspension or unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

(12) Bond Ordinance Provisions

(a) Additional Bonds

The Airport may issue additional parity and subordinate bonds, subject to certain coverage and other provisions, for the purpose of acquiring, improving or equipping facilities related to the Airport.

(b) Airport Revenue Bonds

Under the terms of the Bond Ordinance, all bond series (the Senior Bonds) are collateralized by a first lien on the Net Revenues of the Airport. Under the terms of the Subordinate Bond Ordinance, outstanding Commercial Paper is collateralized by Net Revenues of the Airport subordinate to the Senior Bonds.

The Airport is required by the Bond Ordinance to set and collect rates and charges sufficient, together with other available funds, to provide for the payment of all operating and maintenance expenses for the current fiscal year plus 125% of the aggregate principal and interest payments of the Senior Bonds for such fiscal year prior to the issuance of additional bonds. Also, the Airport is required to maintain Minimum Bond Reserves for both senior and subordinate lien bonds. On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively. With the execution of this Bond Purchase and Exchange Agreement there were no longer any outstanding Airport System Revenue Bonds issued prior to August 1, 2000. This adjusted the calculation of the Minimum Bond Reserve as defined within the General Bond Ordinance and reduced the Minimum Bond Reserve amount as it applies to the senior lien system revenue bonds. The City, for and on behalf of the Airport, filed a Voluntary Notice on EMMA (see https://emma.msrb.org/P21480842-P21148170-P21561857.pdf). The Airport is in compliance with the bond covenants listed in the bond ordinance.

(13) Swap Agreements

The Airport has entered into interest rate swap agreements in order to protect against rising interest rates. The 1999 and 2009A swap agreements all pay fixed–receive variable rate cash flow hedges, with the variable payment from the counterparty based on the USD-SIFMA Municipal Swap Index and the variable rate of the bonds. The rest of the Airport's swap agreements are considered investment derivatives in accordance with the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53). Additionally, investment income on these derivatives has also been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivative investments.

On October 28, 2020, the Airport issued the Airport System Revenue Bonds Series 2020A-1 (Non-AMT Private Activity), Series 2020A-2 (Non-AMT Governmental), Series 2020B-1 (AMT), Series 2020B-2 (AMT), and Series 2020C (Taxable) for $95.3 million, $60.5 million, $37.5 million, $24.1 million, and $411.5 million, respectively. A portion of the bond proceeds were used to fully terminated the 2008B Swap Agreement with Loop Financial Products I, LLC at a cost of $9.6 million.

The fair value balances and notional amounts of the swaps outstanding at December 31, 2021 and 2020 and the changes in the fair value of such swaps for the periods then ended, are as follows ($ in thousands):

Counterparty	Effective date	Notional amount (in millions)	Bond/swap termination date	Associated debt series	Payable swap rate	Receivable swap rate	Changes in fair value Classification	Changes in fair value Amount	Fair value 12/31/2021
1999 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	10/4/2001	$ 16	11/1/2022	(1)	5.6179%	SIFMA	Deferred Outflow	$ (1,058)	$ (760)
							Investment Income	(1,124)	-
Merrill Lynch Capital Services, Inc.	10/4/2001	8	11/1/2022	(1)	5.5529%	SIFMA	Deferred Outflow	(529)	(376)
							Investment Income	(549)	-
2005 Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/2006	35	11/15/2025	2016A(3)	3.6874%	70% LIBOR	Investment Income	(1,739)	(2,616)
2006A Swap Agreements									
GKB Financial Services Corp.	11/15/2007	24	11/15/2025	2007F-G(2)	4.0085%	70% LIBOR	Investment Income	(1,370)	(1,922)
2006B Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/2006	35	11/15/2025	2016A	SIFMA	4.0855%	Investment Income	1,857	2,916
2008A Swap Agreement									
Royal Bank of Canada	12/18/2008	48	11/15/2025	2007F-G(2)	4.0085%	70% LIBOR	Investment Income	(2,740)	(3,843)
2009A Swap Agreement									
Loop Financial Products I LLC	1/12/2010	8	11/1/2022	(1)	5.6229%	SIFMA	Deferred Outflow	(667)	(385)
							Investment Income	(435)	-
Total									$ (6,986)

(1) Swaps associated with Series 2009C, 2008B and a portion of the 2002C Bonds
(2) A portion of the Series 2002C bonds are additionally associated with these swaps
(3) Previously associated with 2007D and 2017A

Counterparty	Effective date	Notional amount (in millions)	Bond/swap termination date	Associated debt series	Payable swap rate	Variable receivable swap rate	Changes in fair value Classification	Changes in fair value Amount	Fair value 12/31/2020
1999 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	10/4/2001	$ 44	11/1/2022	(1)	5.6179%	SIFMA	Deferred Outflow	$ (430)	$ (2,941)
							Investment Income	(1,854)	-
Merrill Lynch Capital Services, Inc.	10/4/2001	22	11/1/2022	(1)	5.5529%	SIFMA	Deferred Outflow	(215)	(1,454)
							Investment Income	(907)	-
2005 Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/2006	38	11/15/2025	2016A(3)	3.6874%	70% LIBOR	Investment Income	311	(4,355)
2006A Swap Agreements									
GKB Financial Services Corp.	11/15/2007	28	11/15/2025	2007F-G(2)	4.0085%	70% LIBOR	Investment Income	(24)	(3,292)
2006B Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/2006	37	11/15/2025	2016A	SIFMA	4.0855%	Investment Income	(184)	4,773
2008A Swap Agreement									
Royal Bank of Canada	12/18/2008	57	11/15/2025	2007F-G(2)	4.0085%	70% LIBOR	Investment Income	(48)	(6,583)
2008B Swap Agreement									
Loop Financial Products I LLC	1/8/2009	66	11/15/2025	2008C1(2)	4.7600%	70% LIBOR + 0.1%	Investment Income	(2,034)	- (4)
2009A Swap Agreement									
Loop Financial Products I LLC	1/12/2010	22	11/1/2022	(1)	5.6229%	SIFMA	Deferred Outflow	(433)	(1,487)
							Investment Income	(707)	-
Total									$ (15,339)

(1) Swaps associated with Series 2009C, 2008B and a portion of the 2002C Bonds
(2) A portion of the Series 2002C bonds are additionally associated with these swaps
(3) Previously associated with 2007D. Swaps currently associated with Series 2017A
(4) Swap was terminated 10/15/2020

Payments by the Airport to counterparties relating to these swap agreements, including termination payments, are Subordinate Obligations, subordinate to debt service payments on the Airport's Senior Bonds, and on parity with the Airport's Subordinate Bonds. Fair values were calculated using the mid-market LIBOR and SIFMA swap curves as of December 31, 2021 and 2020. Fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2021. When the present value of payments to be made by the Airport exceeds the present value of payments to be received, the swap has a negative value to the Airport. When the present value of payments to be received by the Airport exceeds that of payments to be made, the swap has a positive value to the Airport.

(a) Risks Associated with the Swap Agreements

The following risks are generally associated with swap agreements:

Credit Risk – All of the Airport's swap agreements rely upon the performance of swap counterparties. The Airport is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the Airport. The Airport measures the extent of this risk based upon the credit ratings of the counterparty and the fair value of the swap agreement. If the Airport delivers a surety policy or other credit support document guaranteeing its obligations under the Swap Agreement that is rated in the highest rating category of either Standard & Poor's, Moody's Investors Service or Fitch, for any swap agreement, the counterparty to that agreement is obligated to either be rated, or provide credit support securing its obligations under the swap agreement rated in the highest rating category of either Standard & Poor's, Moody's Investor Service or Fitch; or under certain circumstances, provide collateral. The Airport is obligated, under the swap agreements, to provide such surety policy or credit support if the unsecured and unenhanced ratings of the Airport's Senior Bonds is below any two of BBB by Standard & Poor's, Baa2 by Moody's Investors Service or BBB by Fitch.

As of December 31, 2021, the ratings of the Airport's Senior Bonds were A+ by Standard & Poor's (S&P) (with a positive outlook), A1 by Moody's Investors Service (with a stable outlook) and AA- by Fitch (with a stable outlook). Therefore, no surety policy or credit has been provided to the counterparties by the Airport. Failure of either the Airport or the counterparty to provide credit support or collateral, as described in the swap agreements, is a termination event under the swap agreements (see termination risk below).

The ratings of the counterparties, or their credit support providers, as of December 31, 2021 are as follows:

	Ratings of the counterparty or its credit support provider		
Counterparty (credit support provider)	**S&P**	**Moody's**	**Fitch**
Goldman Sachs Capital Markets, L.P.			
(Goldman Sachs Group, Inc.)	BBB+	A2	A
JP Morgan Chase Bank, N.A.	A+	Aa2	AA
LOOP Financial Products, LLC			
(Deutsche Bank, AG, New York Branch)	A-	A2	A-
Merrill Lynch Capital Services, Inc.			
(Merrill Lynch & Co., Inc.)	A-	A2	AA-
Royal Bank of Canada	AA-	Aa2+	AA-
GKB Financial Services Corporation II, Inc.			
(Societe Generale New York Branch)	A	A1	A

On January 27, 2022, Moody's upgraded the rating of the swap counterparty, Royal Bank of Canada, from Aa2+ to Aa1. See note 24(a) to the financial statements for additional information.

As of December 31, 2021, there was no risk of loss for the swap agreements that had negative fair values. For the swap agreements that had positive fair values, the risk of loss is the amount of the derivatives' fair value.

Termination Risk – Any party to the Airport's swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the Airport may terminate any of its swap agreements at any time at its sole discretion. Further, certain credit events can lead to a termination event under the swap agreements (see Credit Risk above). If, at the time of termination, the swap has a negative fair value, the Airport could be liable to the counterparty for a payment equal to the swap's fair value. If any of the Airport's swap agreements are terminated, the associated variable rate bonds would either no longer be hedged with a synthetic fixed interest rate or the nature of the basis risk associated with the swap agreement may change. The Airport is not aware of any existing event that would lead to a termination event with respect to any of its swap agreements.

Interest Rate Risk – The Airport is exposed to interest rate risk in that as the variable rates of the swap agreements decrease, the Airport's net payments on the swap agreements increase.

Basis Risk – Each of the Airport's swap agreements is associated with certain debt obligations or other swaps. The Airport pays interest at variable interest rates on some of the associated debt obligations and associated swaps. The Airport receives variable payments under some of its swap agreements. To the extent the variable rate on the associated debt or the associated swap paid by the Airport is based on an index different than that used to determine the variable payments received by the Airport under the swap agreement, there may be an increase or decrease in the synthetic interest rate intended under the swap agreement. The nature of this risk for each of the Airport's series of swaps is discussed more specifically in the descriptions of these swap agreements below.

(b) Swap Payments and Associated Debt

Interest Rate Swap Profile (all rates as of December 31, 2021):

Swaps	**1999, 2009A**	**2005, 2006B**	**2006A, 2008B**
Associated debt	**2009C**	**2016A**	**2007G1-G2**
Payment to counterparty:	5.6029%	3.7874%	4.0085%
Payment from counterparty:	0.1000%	4.1564%	0.0709%
Net swap payment:	5.5029%	-0.3690%	3.9376%
Associated bond interest rate:	0.4700%	5.0000%	0.9709%
Net swap & bond payment:	5.9729%	4.6310%	4.9085%

As rates vary, variable rate bond interest payments and net swap payments will vary. As of December 31, 2021, debt service requirements of the related variable rate debt and net swap payments for the Airport's cash flow hedges (1998, 1999, and 2009A Swap Agreements), assuming current interest rates remain the same, for their terms, were as follows ($ in thousands):

	Principal	Interest	Interest rate swaps net	Total
Year:				
2022	$ 11,200	$ 154	$ 1,807	$ 13,161
2023	-	102	-	102
2024	-	102	-	102
2025	-	102	-	102
2026	3,395	102	-	3,497
2027-2031	18,245	261	-	18,506
Total	$ 32,840	$ 823	$ 1,807	$ 35,470

Note: the amortization of the notional amounts on the swaps no longer match the amortization on the bonds (the duration of the bonds is longer than the swaps)

Bond principal reflects the hedged portion on 12/31/2021

Variable Rate Bonds and Swap payments are calculated using rates in effect on December 31, 2021.

(14) Denver International Airport Special Facility Revenue Bonds

To finance the acquisition and construction of various facilities at the Airport, the City issued three series of Special Facility Revenue Bonds. These bonds are special limited obligations of the City, payable and secured by a pledge of certain revenues to be received from lease agreements for these facilities. The bonds do not constitute a debt or pledge of the full faith and credit of the City or the Airport, and accordingly, have not been reported in the accompanying financial statements. In October 2017, the City issued Special Facility Revenue Bonds (Series 2017) on a current refunding of the Special Facilities Airport Revenue Bonds (Series 2007A). The Series 2017 proceeds were used to pay off the outstanding balance of the Series 2007A series and closing costs. At December 31, 2021 and December 31, 2020, Special Facility Revenue Bonds outstanding totaled to $250.6 million.

(15) Compensated Absences

Employees may accumulate earned but unused benefits up to specified maximum. The changes in compensated absences for 2021 and 2020 are as follows ($ in thousands):

	Balance January 1, 2021	Additions	Retirements	Balance December 31, 2021	Amounts due within one year
Compensated absences payable	$ 12,097	$ 7,498	$ (7,723)	$ 11,872	$ 2,255
Less current				(2,255)	
Noncurrent portion				$ 9,617	

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Amounts due within one year
Compensated absences payable	$ 10,158	$ 9,340	$ (7,401)	$ 12,097	$ 2,524
Less current				(2,524)	
Noncurrent portion				$ 9,573	

(16) Deferred Outflow and Inflow of Resources

A deferred outflow of resources is a consumption of net position by the Airport that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the Airport that is applicable to a future reporting period. Both deferred inflows and outflows of resources are reported in the statements of net position but are not recognized in the financial statements as revenues and expenses until the period to which they relate. Deferred outflows of resources of the Airport consist of accumulated decreases in fair value of hedging derivatives, deferred losses on refunding and certain pension and OPEB related deferrals. Deferred inflows of resources are comprised of deferred gain on refundings, and certain pension and OPEB related deferrals.

The composition of deferred outflows and inflows are as follows as of December 31 ($ in thousands):

	December 31, 2021	December 31, 2020
Accumulated decrease in fair value of hedging activities	$ 775	$ 3,029
Deferred loss on refunding of debt	50,927	64,290
GASB 68 pension deferred outflow	32,183	37,765
GASB 75 deferred outflow		
DERP OPEB	1,989	2,303
DERP implicit rate	5,696	1,537
Total deferred outflows	$ 91,570	$ 108,924
Deferred gain on refunding of debt	$ 4,053	$ 4,620
GASB 68 pension deferred inflow	18,796	4,693
GASB 75 deferred inflow		
DERP OPEB	2,001	699
DERP implicit rate	1,439	622
Total deferred inflows	$ 26,289	$ 10,634

(17) Pension Plan

Substantially all of the Airport's employees are covered under the City and County of Denver's pension plan, the Denver Employees' Retirement Plan (DERP). The net pension liability is calculated annually, based on the measurement date, for the citywide financial statements and is allocated to the Airport as of the end of the fiscal year.

Plan Description - The Denver Employees' Retirement Plan (DERP) administers a cost-sharing multiple-employer defined benefit plan to eligible members. DERP is administered by the DERP Retirement Board in accordance with Sections 18- 401 through 18-430.7 of the City's Revised Municipal Code. Amendments to the plan are made by ordinance. These code sections establish the plan, provide complete information on DERP, and vests the authority for the benefit and contribution provisions with the City Council. The DERP Retirement Board acts as the trustee of the Plan's assets.

The Plan provides retirement, death and disability benefits for its members and their beneficiaries. Members who were hired before September 1, 2004, and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.0% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired after September 1, 2004, the formula multiplier was reduced to 1.5%. Final average salary is based on the member's highest salary during a 36 consecutive month period of credited service. Members with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired on or after July 1, 2011, they must be age 60 and have combined credited service of at least 85 in order to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a 60 consecutive month period of credited service. Five-year vesting is required of all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost of living adjustments are granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the plan's Board, and enacted into ordinance by Denver City Council.

The Plan is accounted for using the economic resources measurement focus and the accrual basis of accounting. DERP issues a publicly available annual comprehensive financial report that can be obtained at https://www.derp.org/.

Funding Policy – For 2020 and 2019, the City contributed 15.75% and 13.0%, respectively, of covered payroll and employees made a pre-tax contribution of 9.25% and 8.5%, respectively, in accordance with Section 18-407 of the Revised Municipal Code of the City. The City's contributions to DERP for the years ended December 31, 2021 and 2020, were $102.3 million and $95.6 million, respectively, which equaled the required contributions. The Airport's share of the total contributions is $14.5 million and $13.9 million for the years ended December 31, 2021 and 2020 respectively.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At December 31, 2021 and 2020, the Airport reported a liability of $187.8 million and $199.9 million, respectively, for its proportionate share of the net pension liability related to DERP. The net pension liabilities were measured as of December 31, 2020 and 2019, respectively, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of those respective dates. Member census data for the year preceding the measurement period was used in developing each actuarial valuation. Standard actuarial roll forward techniques were then used to project the total pension liability to the measurement date. The Airport's proportion of the net pension liability was based on contributions to DERP relative to the total contributions of participating employers to DERP.

At December 31, 2020, the Airport's proportion was 12.06361%, which was a decrease of 1.672430% from its proportion measured as of December 31, 2019. At December 31, 2019, the Airport's proportion was 13.73604%, which was an increase of 1.01011% from its proportion measured as of December 31, 2018.

The components of the Airport's net pension liability related to DERP as of December 31, 2021 and 2020, respectively, are presented below ($ in thousands):

	2021	2020
Total pension liability	$ 473,283	$ 510,104
Plan fiduciary net position	(285,507)	(310,226)
Net pension liability	$ 187,776	$ 199,878

The change in net pension liability for the year ended December 31, 2021 was ($ in thousands):

Beginning balance	Additions	Reductions	Ending balance
$ 199,878	$ 39,522	$ (51,624)	$ 187,776

The change in net pension liability for the year ended December 31, 2020 was ($ in thousands):

Beginning balance	Additions	Reductions	Ending balance
$ 191,995	$ 48,122	$ (40,239)	$ 199,878

For the years ended December 31, 2021 and 2020, pension expense recognized by the Airport was $21.4 million and $33.1 million, respectively. At December 31, 2021, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources ($ in thousands):

Sources:	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	$ 4,042	$ -
Changes of assumptions or other inputs	8,863	-
Net difference between projected and actual earnings on pension plan investments	-	3,267
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,500	15,529
Contributions subsequent to the measurement date	13,778	-
Total	$ 32,183	$ 18,796

At December 31, 2020, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources ($ in thousands):

Sources:	**Deferred outflows of resources**	**Deferred inflows of resources**
Difference between expected and actual experience	$ 6,289	$ -
Changes of assumptions or other inputs	6,248	-
Net difference between projected and actual earnings on pension plan investments	-	3,660
Changes in proportion and differences between contributions recognized and proportionate share of contributions	12,095	1,033
Contributions subsequent to the measurement date	13,133	-
Total	$ 37,765	$ 4,693

At December 31, 2021 and 2020, the Airport reported $13.8 million and $13.1 million, respectively, as deferred outflows of resources related to pensions resulting from Airport contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the following year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented below ($ in thousands):

Year:	**Deferred inflows/ outflows of resources**
2022	$ 4,250
2023	(780)
2024	(3,531)
2025	(330)
2026	-
Thereafter	-
Total	$ (391)

The total pension liability in the December 31, 2020 and 2019 actuarial valuations were determined using the actuarial assumptions as follows:

2020	**DERP**
Investment rate of return	7.25%
Salary increases	3.00% to 7.00%
Inflation	2.50%

2019	**DERP**
Investment rate of return	7.50%
Salary increases	3.00% to 7.00%
Inflation	2.50%

Mortality rates were based on the Adjusted RP-2014 Mortality Tables, with general projections using Ultimate MP Scale (changed in 2018 from RP-2000 Combined Mortality Projected with Scale AA to 2020). The latest experience study was conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary(s).

For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2020 and 2019 these best estimates are summarized in the following table:

2020

Asset class	Target allocation	Long-term expected real rate of return
US equity	**22.00%**	
Large cap	18.00%	7.20%
Small cap	4.00%	7.90%
International equity	**22.00%**	
Developed markets	14.00%	7.90%
Emerging markets	8.00%	9.10%
Fixed income	**25.50%**	
Core fixed income	17.00%	2.60%
Private debt	4.00%	6.20%
Distress debt	2.50%	7.00%
Emerging market debt	2.00%	4.80%
Real estate	**8.00%**	7.50%
Absolute return	**5.00%**	4.90%
MLP	**5.00%**	8.50%
Alternatives	**12.50%**	
Private equity	7.00%	9.40%
Natural resources	5.50%	8.80%
Total	**100.00%**	

2019		
Asset class	**Target allocation**	**Long-term expected real rate of return**
US equity	**21.00%**	
Large cap	17.00%	5.50%
Small cap	4.00%	5.70%
International equity	**21.00%**	
Developed markets	13.00%	5.90%
Emerging markets	8.00%	7.80%
Fixed income	**25.50%**	
Core fixed income	17.00%	0.80%
Private debt	4.00%	4.10%
Distress debt	2.50%	4.70%
Emerging market debt	2.00%	2.70%
Real estate	**8.00%**	4.40%
Absolute return	**5.00%**	2.80%
MLP	**7.00%**	6.40%
Alternatives	**12.50%**	
Private equity	7.00%	7.50%
Natural resources	5.50%	6.90%
Total	**100.00%**	

Discount Rate - A single discount rate of 7.25% and 7.50% was used to measure the total pension liability at December 31, 2020 and 2019, respectively. This single discount rate was based on the expected rate of return on pension plan investments of 7.25% and 7.50%, respectively. The projection of cash flows used to determine this single rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher ($ in thousands):

2021	1 % decrease 6.25%	Current discount rate 7.25%	1% increase 8.25%
Proportionate share of net pension liability	$ 239,814	$ 187,776	$ 144,116

Pension Plan Fiduciary Net Position: Detailed information about DERP's fiduciary net position is available in DERP's separately issue of financial reports at https://www.derp.org/.

(18) Plan Postemployment Healthcare Benefits under GASB Statement No. 75

The Airport has two Other Postemployment Healthcare Benefit (OPEB) plans: Denver Employees Retirement Plan (DERP) and DERP Implicit Rate Subsidy. The liability associated with these plans is calculated annually, based on the measurement date, for the citywide financial statements and is allocated to the Airport as of the end of the fiscal year as follows:

		2021		2020
DERP OPEB plan net OPEB liability	$	11,725	$	13,555
DERP implicit rate subsidy OPEB plan total OPEB liability		11,745		8,061
Total/Net OPEB liability	$	23,470	$	21,616

(a) DERP OPEB Plan

Plan Description - The Denver Employees Retirement Plan (the Plan) administers a cost-sharing multiple-employer defined benefit plan providing pension and postemployment health benefits to eligible members. The Plan was established in 1963 by the City. During 1996, the Denver Health and Hospital Authority (DHHA) was created and joined the Plan as a contractual entity. In 2001, the Plan became closed to new entrants from DHHA. All risks and costs are shared by the City and DHHA. There is a single actuarial evaluation performed annually that covers both the pension and postemployment health benefits. All assets of the Plan are funds held in trust by the Plan for its members for the exclusive purpose of paying pension and postemployment health benefits.

Sections 18-401 through 18-430.7 of the City's Revised Municipal Code should be referred to for complete details of the Plan. DERP issues a publicly available annual comprehensive financial report that can be obtained at https://www.derp.org/.

Benefits Provided - The Plan provides retirement, death, and disability benefits for its members and their beneficiaries. Members who were hired before September 1, 2004 and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.0% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired on or after September 1, 2004, the formula multiplier was reduced to 1.5%. Final average salary is based on the member's highest salary during consecutive 36-month period of credited service. Members with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired on or after July 1, 2011, they must be age 60 and have combined credited service of at least 85 in order to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a consecutive 60-month period of credited service. Five-year vesting is required for all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost-of-living adjustments are granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the Plan's Board, and enacted into ordinance by the Denver City Council.

The health benefits account was established by City Ordinance in 1991 to provide, beginning January 1, 1992, post-employment health care benefits in the form of a premium reduction to retired members, their spouses and dependents, spouses and dependents of decreased active and retired members, and members of the Plan awaiting approval of retirement applications. During 2020, the monthly health insurance premium reduction was $12.50 per year of service for retired participants not yet eligible for Medicare, and $6.25 per year of service for retirees eligible for Medicare. The health insurance premium reduction can be applied to the payment of medical, dental, and/or vision insurance premiums. The benefit recipient pays any remaining portion of the premiums.

Contributions – During 2020 and 2019, the Airport was required to contribute at a rate of 1.28% and 1.34% of annual covered payroll, respectively. The contribution requirements for the Airport are established under the City's Revised Municipal Code. For the year ended December 31, 2021 and 2020, contributions to the DERP OPEB plan were $0.7 and $0.7 million, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At December 31, 2021, the Airport reported a liability of $11.7 million for its proportionate share of the net OPEB liability. The net OPEB liability for DERP was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Airport's proportion of the net OPEB liability was based on contributions to DERP for the calendar year 2020 relative to the total contributions of participating employers to the DERP.

At December 31, 2020, the Airport reported a liability of $13.6 million for its proportionate share of the net OPEB liability. The net OPEB liability for DERP was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The Airport's proportion of the net OPEB liability was based on contributions to DERP for the calendar year 2019 relative to the total contributions of participating employers to the DERP.

At December 31, 2020, the Airport's proportion was 12.080280% percent for OPEB, which was a decrease of 1.702040% from its proportion measured as of December 31, 2019. At December 31, 2019, the Airport's proportion was 13.782320% percent for OPEB, which was an increase of 0.784580% from its proportion measured as of December 31, 2018.

The components of the Airport's proportionate share of the net OPEB liability related to DERP as of December 31, 2021 and 2020 are presented below ($ in thousands):

OPEB plan	2021	2020
Total OPEB liability	$ 20,786	$ 23,436
Plan fiduciary net position	(9,061)	(9,881)
Net OPEB liability	$ 11,725	$ 13,555

For the year ended December 31, 2021 and 2020, the Airport recognized OPEB expense for the DERP plan of ($0.2) million and $0.5 million, respectively.

A summary of the Airport's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2021, is presented below ($ in thousands):

Sources	Deferred outflows of resources	Deferred inflows of resources
OPEB plan:		
Difference between expected and actual experience	$ 24	$ 487
Changes of assumptions or other inputs	654	-
Net difference between projected and actual earnings on OPEB plan investments	-	105
Changes in proportion and differences between contributions recognized and proportionate share of contributions	586	1,409
Contributions subsequent to the measurement date	725	-
Total	$ 1,989	$ 2,001

A summary of the Airport's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2020, is presented below ($ in thousands):

Sources	Deferred outflows of resources	Deferred inflows of resources
OPEB plan:		
Difference between expected and actual experience	$ 47	$ 347
Changes of assumptions or other inputs	593	-
Net difference between projected and actual earnings on OPEB plan investments	-	130
Changes in proportion and differences between contributions recognized and proportionate share of contributions	937	222
Contributions subsequent to the measurement date	726	-
Total	$ 2,303	$ 699

At December 31, 2021 and 2020, the Airport reported $0.7 million as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the following year ended. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as presented below ($ in thousands):

Year	Deferred inflows and outflows of resources
OPEB plan:	
2022	$ (85)
2023	(112)
2024	(531)
2025	(9)
2026	-
Thereafter	-
	$ (737)

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented below:

OPEB plan	**DERP**
Valuation date	January 1, 2020
Measurement date	December 31, 2020
Experience study	Conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017
Actuarial method	Entry age method. Credit method.
Long-term investment rate of return	7.25%
Discount rate	7.25%
Projected salary increases	3.00%
Inflation	2.50%
Mortality	Adjusted RP-2014 Mortality Tables, with generational projections using Ultimate MP Scale

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented below:

OPEB plan	DERP
Valuation date	January 1, 2019
Measurement date	December 31, 2019
Experience study	Conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017
Actuarial method	Entry age normal
Long-term investment rate of return	7.50%
Discount rate	7.50%
Projected salary increases	3.00%
Inflation	2.50%
Mortality	Adjusted RP-2014 Mortality Tables, with generational projections using Ultimate MP Scale

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized below as of December 31, 2020 and 2019:

	2020	
Asset class	**Target allocation**	**Long-term expected real rate of return**
US equity	**22.00%**	
Large cap	18.00%	7.20%
Small cap	4.00%	7.90%
International equity	**22.00%**	
Developed markets	14.00%	7.90%
Emerging markets	8.00%	9.10%
Fixed income	**25.50%**	
Core fixed income	17.00%	2.60%
Private debt	4.00%	6.20%
Distress debt	2.50%	7.00%
Emerging market debt	2.00%	4.80%
Real estate	**8.00%**	7.50%
Absolute return	**5.00%**	4.90%
MLP	**5.00%**	8.50%
Alternatives	**12.50%**	
Private equity	7.00%	9.40%
Natural resources	5.50%	8.80%
Total	**100.00%**	

2019

Asset class	Target allocation	Long-term expected real rate of return
US equity	**21.00%**	
Large cap	17.00%	5.50%
Small cap	4.00%	5.70%
International equity	**21.00%**	
Developed markets	13.00%	5.90%
Emerging markets	8.00%	7.80%
Fixed income	**25.50%**	
Core fixed income	17.00%	0.80%
Private debt	4.00%	4.10%
Distress debt	2.50%	4.70%
Emerging market debt	2.00%	2.70%
Real estate	**8.00%**	4.40%
Absolute return	**5.00%**	2.80%
MLP	**7.00%**	6.40%
Alternatives	**12.50%**	
Private equity	7.00%	7.50%
Natural resources	5.50%	6.90%
Total	**100.00%**	

Discount Rate – At December 31, 2021 and 2020, a single discount rate of 7.25% and 7.50%, respectively, was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.25% and 7.50%. The projection of cash flows used to determine this single rate assumed that plan member and employer contributions will be made at the current contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Airport's proportionate share of the net OPEB liability to changes in the Discount Rate - Below presents the net OPEB liability as of December 31, 2021 and 2020 using the current discount rate applicable to the DERP benefit structure, as well as if it were calculated using a discount rate that is one percentage point lower or one percentage point higher ($ in thousands):

2021	1% decrease	Current discount rate	1% increase
DERP OPEB plan			
Discount rate	6.25%	7.25%	8.25%
Proportionate share of net liability	$ 13,809	$ 11,725	$ 9,957

2020	1% decrease	Current discount rate	1% increase
DERP OPEB plan			
Discount rate	6.50%	7.50%	8.50%
Proportionate share of net liability	$ 15,864	$ 13,555	$ 11,592

As the Plan is paid at a fixed dollar value, there is not an actuarially adjusted value for healthcare costs and thus Health Cost Trend Rates are not applicable to this Plan.

OPEB Plan Fiduciary Net Position - Detailed information about the DERP's fiduciary net position is available in DERP's annual comprehensive financial report which can be obtained at https://www.derp.org/.

(b) DERP Implicit Rate Subsidy OPEB Plan

Plan Description - The City acts in a single-employer capacity by providing health insurance to eligible Career Service retirees and their qualified dependents through the City's group insurance plans. The claims experience of active employees and pre-Medicare retirees is co-mingled in setting premium rates for the plans in which City employees and retirees participate. To be eligible, a retiree must be a minimum of 55 years of age if hired prior to July 1, 2011, and a minimum of 60 years of age if hired after July 1, 2011, with 5 years of service and have begun receiving their pension benefit. Coverage ceases when one reaches Medicate age.

Benefit Payments - DERP retirees are responsible for 100.00% of the blended premium rate. The Airport's required contribution toward the implicit rate subsidy is based on a pay-as-you-go financing. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay benefits. For the year ended, December 31, 2021 and 2020, benefit payments were $0.9 million and $0.6 million, respectively.

Participation Rate DERP Implicit Subsidy Plan - As authorized by section 18-412 of the City's Revised Municipal Code, DERP retirees are allowed to participate in the health insurance programs offered to active employees.

Participating active employees: 50% of active DERP employees currently covered in the City's medical plans are assumed to continue their current medical plan election in retirement.

Actives not currently participating: 25% of active DERP employees not currently covered by a City healthcare plan are assumed to elect coverage in the Kaiser DHMO plan at or before retirement.

Vested terminated employees: 40% of vested terminated employees with 16 or more years of City/County service are assumed to elect coverage in the Kaiser DHMO plan when they retire and begin their pension benefits.

Retired participants: Existing medical plan elections are assumed to be continued through retirement until the earlier of the retiree's death or the date he or she becomes eligible for Medicare.

Spouse Coverage

Active participants: 25% of those assumed to elect coverage in retirement are assumed to be married participants electing coverage for their spouse until their death. Husbands are assumed to be three years older than their wives.

Retired participants: Existing elections for spouse coverage are assumed to be maintained through retirement. Actual spouse information is used where available; otherwise the assumptions for spouses of active employees are applied.

The Patient Protection and Affordable Care Act (ACA) included a 40% excise tax on the value of high-cost employer sponsored health coverage exceeding certain thresholds ("Cadillac Plans"). The tax applied to the aggregate annual cost of any employee's applicable coverage that exceeds a dollar limit. Implementation of this tax had been delayed by subsequent legislation to 2022. This excise tax was repealed by Senate Amendment to H.R. 1865, Further Consolidate Appropriations Act, 2020, and signed by the President on December 20, 2019. Although this change occurred after the valuation date and measurement date, the City changed assumptions and now will no longer bear any such excise tax liability.

Employees covered by benefit terms at December 31, 2020 and December 31, 2019, the date of the latest actuarial valuations:

	2020	2019
Inactive employees currently receiving benefit payments	1,086	1,124
Inactive employees entitled to but not yet receiving benefit payments	264	306
Active employees	8,586	8,755
Total	9,936	10,185

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - The Airport's proportionate share is determined by the Airport's contributions for the measurement period divided by total contributions of all employer entities for the measurement period. The Airport's proportionate share of the implicit rate subsidy total OPEB liability related to DERP as of December 31, 2021 and 2020 are as follows ($ in thousands):

Implicit rate subsidy	**2021**	**2020**
Total OPEB liability	$ 11,745	$ 8,061

For the year ended December 31, 2021, the Airport recognized OPEB expense of $0.3 million for the implicit rate subsidy. A summary of the Airport's deferred outflows of resources and deferred inflow of resources related to OPEB as of December 31, 2021 is presented below ($ in thousands):

Sources	**Deferred outflows of resources**	**Deferred inflows of resources**
Implicit rate subsidy:		
Difference between expected and actual experience	$ 52	$ 719
Changes of assumptions - future economic or demographic factors	2,356	-
Changes in proportion	2,423	720
Benefit payments subsequent to the measurement date	865	-
Total	$ 5,696	$ 1,439

For the year ended December 31, 2020, the Airport recognized OPEB expense of $0.6 million for the implicit rate subsidy. A summary of the Airport's deferred outflows of resources and deferred inflow of resources related to OPEB as of December 31, 2020 is presented below ($ in thousands):

Sources	Deferred outflows of resources	Deferred inflows of resources
Implicit rate subsidy:		
Difference between expected and actual experience	$ 44	$ -
Changes of assumptions - future economic or demographic factors	851	-
Changes in proportion	52	622
Benefit payments subsequent to the measurement date	590	-
Total	$ 1,537	$ 622

As of December 31, 2021 and 2020, the $0.9 million and $0.6 million, respectively, reported as deferred outflows of resources related to the implicit rate subsidy, resulting from benefit payments subsequent to the measurement date, will be recognized as a reduction of the total implicit rate subsidy OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of recourses and deferred inflows of resources related to OPEB for the implicit rate subsidy will be recognized as presented below ($ in thousands):

Year	Deferred inflows and outflows of resources
Implicit rate subsidy:	
2022	463
2023	463
2024	463
2025	463
2026	479
Thereafter	1,061
	$ 3,392

The implicit rate subsidy liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented below:

Implicit rate subsidy	**DERP**
Valuation date	December 31, 2019
Measurement date	December 31, 2020
Actuarial method	Entry age normal
Asset valuation method	Market value of assets
Discount rate	2.12% as of December 31, 2020 2.74% as of December 31, 2019
Participants valued	Only current active employees under age 65, non-Medicare retired participants and covered spouses are valued. No future entrants are considered in this valuation
Projected salary increases	3.00% per year
Inflation	2.50%
Mortality	DERP 2021 actuarial valuation projected with MW Scale 2022
Healthcare cost trend rates	5.8% in 2023, fluctuating down to 3.9% by 2076
Medicare eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicate Parts A and B at age 65.
Demographic assumptions	Based on the 2018 experience study of the Denver Employee Retirement Plan using data from the five-year period ending December 31, 2017, except for a different basis used to project future mortality improvement.

The implicit rate subsidy liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented below:

Implicit rate subsidy	**DERP**
Valuation date	December 31, 2018
Measurement date	December 31, 2019
Actuarial method	Entry age normal
Asset valuation method	Market value of assets
Discount rate	2.74% as of December 31, 2019 4.11% as of December 31, 2018
Participants valued	Only current active employees under age 65, non-medicare retired participants and covered spouses are valued. No future entrants are considered in this valuation
Projected salary increases	3.00% per year
Inflation	2.50%
Mortality	DERP 2016 actuarial valuation projected with MW Scale 2018
Healthcare cost trend rates	Medical plan premiums and claims costs by are assumed to 6.5% in 2022 and fluctuates until the ultimate rate of 4% in 2076
Medicare eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicate Parts A and B at age 65.
Demographic assumptions	Based on most recent (January 2016) actuarial valuation of the Denver Employees Retirement Plan, except for a different basis used to project future mortality improvements (rates of retirement, termination, disability and mortality).

Discount Rate - When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). As such, a 2.12% and 2.74% discount were used to measure the implicit rate liability as, of December 31, 2020 and 2019, based on the published rates of the applicable municipal bond index.

Sensitivity of the Airport's Proportionate Share of the Implicit Rate Subsidy OPEB Total Liability to Changes in the Discount Rate - Below presents total OPEB liability as of December 31, 2021 and 2020 using the discount rate applicable to the DERP benefit structure, as well as if it were calculated using a discount rate that is one percentage point lower or one percentage point higher ($ in thousands):

2021	1% decrease	Current discount rate	1% increase
Implicit rate subsidy:			
Discount rate	1.12%	2.12%	3.12%
Proportionate share of total liability	$ 12,792	$ 11,745	$ 10,811

2020	1% decrease	Current discount rate	1% increase
Implicit rate subsidy:			
Discount rate	1.74%	2.74%	3.74%
Proportionate share of total liability	$ 8,717	$ 8,061	$ 7,469

Sensitivity of the total implicit rate subsidy OPEB liability to changes in the healthcare cost trend rates as of December 31, 2021 and 2020 presented below ($ in thousands):

2021			
Change in healthcare cost trend rates:	**1% decrease**	**Current trend rate**	**1% increase**
Total OPEB liability	$ 10,665	$ 11,745	$ 13,011

2020	1% decrease	Current trend rate	1% increase
Change in healthcare cost trend rates:			
Total OPEB liability	$ 7,401	$ 8,061	$ 8,821

(19) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Plan's publicly available financial report can be obtained by contacting the City of Denver Controller's Office at 201 West Colfax Avenue, Department 1109, Denver, Colorado, 80202.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) held in trust by the City for the exclusive benefit of the participants and their beneficiaries. It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The City can at any time elect to amend, modify, or terminate the Plan. However, notice must be given to all participants at least 45 days prior to the effective date of an amendment. No amendments will deprive the participants of any benefits they were entitled to prior to the change. If the Plan is terminated, all amounts then credited to the participants are to be paid out by the administrators under the normal withdrawal requirements and procedures.

(20) Commitments and Contingencies

(a) Commitments

As of December 31, 2021, the Airport had remaining construction project contract capacity totaling $2.4 billion, of which $0.5 billion has been encumbered but not yet incurred, with the remaining $1.9 billion expected to be committed and incurred to complete current approved capital projects.

(b) Great Hall Project Development Agreements

The City, for and on behalf of the Airport, is undertaking renovations to Jeppesen Terminal including the Great Hall (an open area of approximately 1 million square feet located on Levels 5 and 6 of Jeppesen Terminal) designed to, among other things, enhance security of the passengers and the Airport, improve passenger flow and increase and improve concessions areas. The City, for and on behalf of the Airport, granted to Denver Great Hall LLC, a Delaware limited liability company (the “Great Hall Developer”) an exclusive right to design, construct, finance, operate and maintain certain specified areas within Jeppesen Terminal, including the renovation and reconfiguration of a portion of the Great Hall (the “Great Hall Project”), pursuant to the Development Agreement dated August 24, 2017 (the “Great Hall Agreement”) between the City, for and on behalf of the Airport, and the Great Hall Developer. On August 12, 2019, the City, for and on behalf of the Airport, exercised its right to terminate the Great Hall Agreement for convenience and then, termination became effective November 12, 2019. As a result of the termination, the City, for and on behalf of the Airport, owed a termination payment to the Great Hall Developer in an amount determined pursuant to the terms of the Great Hall Agreement. The termination payment consisted of several components: (1) a net lender liability payment reimbursing Great Hall Developers for costs of design, construction and management work completed through the Termination Date (paid partially from reserve funds available from the prior issuance of Revenue Bonds (Denver International Airport Great Hall Project) Series 2017 by the Public Finance Authority on behalf of Great Hall Developer); (2) an equity payment equal to the return that Great Hall Developer’s equity members expected to receive on their investment in Great Hall Developer; (3) contractor breakage costs representing the costs incurred by Great Hall Developer and its contractors because of the termination of the Great Hall Agreement that would not have been incurred but for the termination of the Great Hall Agreement; (4) redundancy costs representing reimbursements to Great Hall Developer for costs incurred in terminating employees who would not continue with Great Hall Developer or an affiliate of Great Hall Developer after termination of the Great Hall Agreement; and (5) transition costs representing the amount spent by Great Hall Developer to wind down the work and transition the Great Hall Project to the City, for and on behalf of the Department.

The City, for and on behalf of the Airport, entered into a Final Agreement Regarding Termination dated March 13, 2020 (the "Termination Agreement") with Great Hall Developer, Ferrovial Agroman West, LLC and Great Hall Builders, LLC ("Great Hall Builders") to settle all disputes among the parties to the Termination Agreement relating to the Great Hall Agreement, resolve certain relief event claims filed by Great Hall Developer on its own behalf and on behalf of Great Hall Builders under the Great Hall Agreement and settle the final amount of the total Termination Payment. As set forth in the Termination Agreement, the City, for and on behalf of the Airport, made a series of payments toward the final Termination in the amount of $183.7 million. Pursuant to the Termination Agreement, no other payments are due from the City, for and on behalf of the Airport, as a result of the termination of the Great Hall Agreement and all claims for payments against the City, for and on behalf of the Airport, have been dismissed. On March 17, 2020, the Airport made a final settlement payment relating to the Great Hall Project. On March 20, 2020, the City on behalf of the Airport filed a Voluntary Event Notice Relating to Great Hall Project Termination Payment. This disclosure is available at https://emma.msrb.org/ER1317070-ER1026269-ER1432758.pdf.

On November 19, 2021, the City, for and on behalf of the Airport, issued a Voluntary Notice related to the Great Hall Project Status Update. This disclosure is available at https://emma.msrb.org/P21516492-P21172857-P21588899.pdf.

(c) Noise Violation

The City and Adams County entered into an intergovernmental agreement for the Airport dated April 21, 1988 (the Intergovernmental Agreement). The Intergovernmental Agreement establishes maximum levels of noise that should not be exceeded on an average annual basis at various grid points surrounding the Airport. Penalties must be paid to Adams County when these maximums are exceeded.

Currently, the Airport has not received any notices for any penalties for 2021 and 2020. On August 27, 2020, the City received notices of violations for 2019. The Airport is reviewing these notices but has not made any determination of their validity. At December 31, 2021 and December 31, 2020, the Airport accrued, as part of the claim litigation reserve, the penalties along with estimated interest for 2017-2019 in the amount of $27.1 million and $23.0 million, respectively.

(d) Claims and Litigation

On July 2, 2018, the Board of County Commissioners of Adams County filed a civil complaint against the City, related to the Airport, in the Jefferson County District Court of Colorado (the "Court"), which was amended on July 20, 2018 to include the City of Aurora and the City of Brighton as plaintiffs (as amended, the "Complaint"). The Complaint sought, among other things, a declaration from the Court that the City is in breach of the 1988 Adams County Intergovernmental Agreement (the "IGA") as a result of the City's continued use of noise modeling system known as ARTSMAP, which the plaintiffs alleged is not sufficient to measure compliance with certain noise standards (the "Noise Standards") agreed to under the IGA. The Complaint also alleged between 93 and 108 Class II violations of Noise Standards in 2014 through 2016 that remained uncured in the succeeding calendar year and sought (i) a mandatory Court order requiring the City to implement reasonable, non-discriminatory rules and regulations concerning Airport operations to achieve and maintain compliance with the Noise Standards and (ii) if the Court does not make such order, an award of liquidated damages of $500,000 for each Class II violation that occurred during 2014, 2015 and 2016 that remained uncured in the succeeding calendar year. On June 19, 2020, the Court issued a ruling (the "Ruling") (i) finding, among other things, that the use of ARTSMAP system does not comply with the IGA and (ii) awarding plaintiffs liquidated damages in the amount of $500,000 for each of the 67 uncured Class II violations for 2014, 2015, and 2016 for a total amount of $33.5 million plus interest. On September 1, 2020, the Court ruled on the method of calculating interest for each violation.

On October 16, 2020, the City filed a notice of appeal with the Colorado Court of Appeals (the "Appellate Court") appealing the Ruling and on March 3, 2022, the Appellate Court issued a decision affirming the Appellate Court Ruling and the method of calculating interest. On April 12, 2022, the City filed a petition for certiorari with the Colorado State Supreme Court and asked the court to clarify certain rulings of the Appellate Court, including the method of calculating interest. For further discussion see note 24(b) to the financial statements.

As of December 31, 2021 and 2020, the outstanding amount due to plaintiffs for 67 uncured Class II violations for 2014, 2015, and 2016, including interest, was $53.4 million and $49.4 million, respectively. To the extent the City ultimately is obligated to pay amounts ordered by the Court, or additional amounts claimed by Adams County for violations occurred in years 2017-2019 discussed in noted 20(c) to the financial statements, the City currently expects to fund these payments from the Airport unrestricted Capital Fund.

(e) Denver International Assets under Operating Leases

The Airport leases portions of its buildings and improvements to airline and concession tenants under non-cancelable operating leases. Lease terms vary from 1 to 30 years. The operating leases with the concession tenants require rental payments equal to the greater of a fixed minimum amount per square foot or percentage of gross receipts. Under the 2020 COVID-19 Relief Policy, the monthly minimum annual guaranteed payments for certain concessions leases were waived for March 2020 through December 2021.

Minimum future rentals due from concession tenants are as follows for the years ending December 31 ($ in thousands):

2022	$	54,606
2023		54,236
2024		53,066
2025		36,632
2026		31,566
2027-2031		57,964
2032-2036		6,644
Total	$	294,714

Effective January 1, 2021, the Airport implemented relief policies (2021 COVID-19 Relief Policies) for revenue contracts providing certain fee waivers. For the concessionaires and rental car companies, the minimum annual guarantees, contractually due on a monthly basis, were waived for the year 2021. Accordingly, the future minimum rentals due from concession tenants for 2021 is $0. The concessionaires under these policies are required to pay contractually determined percentage rents monthly based on their concession sales and/or services activity during 2021. The minimum annual guarantees under operating leases for 2021 and 2020 was $14.6 million and $33.0 million, respectively.

The United Use and Lease agreement provides that it can be terminated by the airline if the airline's cost per enplaned passenger exceeds $20 in 1990 dollars. Current costs per enplaned passenger did not approach this limit for 2021. Rental rates for airlines are established under a ratemaking methodology whereby a compensatory method is used to set terminal rental rates and a residual method is used to set landing fees. Rentals, fees, and charges must generate gross revenues together with other available funds sufficient to meet the rate maintenance covenant per the Bond Ordinance.

(f) Federal Grants

Under the terms of the federal grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The Airport management believes disallowances, if any, will be immaterial to its financial position and activities of the Airport.

(21) Insurance

The Department of Aviation is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Department of Aviation has purchased commercial insurance for various risks.

Employees of the City and County of Denver (including all Department of Aviation employees) are covered by the City's insurance policies. Effective October 1, 1989, the City established a workers' compensation self-insurance trust in accordance with state statutes, to be held for the benefit of the City's employees.

The City's Workers' Compensation Internal Service Fund compensates City employees, or their eligible dependents, for injuries as authorized by the State Workers' Compensation law or City ordinances. The administrators of the fund provide safety training and enhancement programs, in addition to maintaining in-house records of claims.

In 2011, the Department of Aviation established an Owner Controlled Insurance Program (OCIP) to insure all contractors and subcontractors working on the Hotel Transit Center Project. The program included general liability, worker's compensation, builder's risk, contractor's pollution and Owners Protection Professional Liability. In 2013, the airport established a Rolling Owner Controlled Insurance Program (ROCIP) for selected Capital Improvement Projects from 2013-2017. In 2016, ROCIP2 was established for selected Capital Improvement Projects from 2016-2021. In 2017, ROCIP3 was established for selected Capital Improvement Projects from 2017-2022 and extended to 2023 for all projects excluding the terminal renovation which was extended to 2024. In 2022, ROCIP4 was established for selected Capital Improvement Projects from 2022-2027. Combined ROCIP program experience has generated cost savings to the Department of Aviation.

(22) Significant Concentration of Credit Risk

The Airport derives a substantial portion of its operating revenue from facility rental fees and airline landing fees (airline operating revenue). For the years ended December 31, 2021, 2020 and 2019, the United Airlines group represented approximately 43.9%, 44.3% and 44.6% of the Airport's airline operating revenue, respectively. Southwest Airlines represented 25.2%, 24.6% and 22.8% for the same periods, respectively. No other airline represented more than 10% of the Airport's airline operating revenue. The Airport requires performance bonds or other financial instruments to support airlines and concession accounts receivables.

(23) United Airlines

The dominant air carrier at the Airport is United Airlines, one of the world's largest airlines. Pursuant to the United Use & Lease Agreement, United currently leases 53 full-service contact gates on Concourse B and 15 ground loading positions. In addition, United together with its United Express commuter affiliates, accounted for 43.9% and 42.1% of enplaned passengers at the Airport in 2021 and 2020, respectively.

(24) Subsequent Events

(a) Swap Counterparty Rating

On January 27, 2022, Moody's upgraded the rating of the swap counterparty, Royal Bank of Canada, from Aa2+ to Aa1.

(b) Noise Litigation

On March 3, 2022, the Appellate Court issued a decision affirming the Appellate Court Ruling and the method of calculating interest. On April 12, 2022, the City filed a petition for certiorari with the Colorado State Supreme Court and asked the court to clarify certain rulings of the Appellate Court, including the method of calculating interest.

(c) Frontier Use and Lease Agreement

On May 3, 2022, the City, for and on behalf of the Department, executed a new Use and Lease Agreement (ULA) with Frontier. Under the new ULA, Frontier will be leasing the new Concourse A East Ground Load Facility (New GFL) 14 ground load gates. Once the New GFL construction is completed, the ULA will expire 10 years from the completion of the New GFL.

(d) Concourse C

Included in the 2018-2022 Capital Program was the east expansion of Concourse C (Concourse C Gate Expansion) for an additional 16 gates. In May 2022, construction of the Concourse C Gate Expansion was completed. Under the Use and Lease Agreement, Southwest Airlines is leasing all the additional 16 gates.

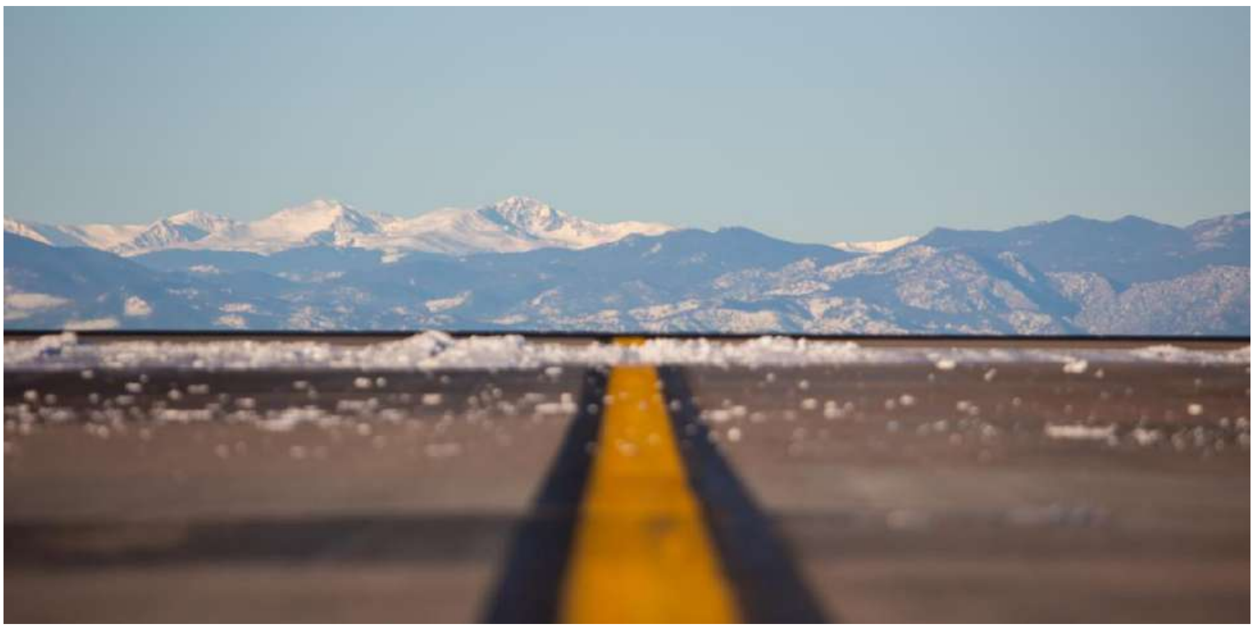
(e) Car Rental Agreements

On May 03, 2022, the City, for and on behalf of the Department, executed a Second Amendment to and Restatement of Car Rental Ground Lease (Restated Car Rental Lease). The Restated Car Rental Lease was effective on January 1, 2022. The Restated Car Rental Lease combined the ground lease and the concession agreement and incorporated amendments to those agreements. The Restated Car Rental Lease term expires December 31, 2027. The Restated Car Rental Lease has been executed by four out of five companies operating at the car rental facility.

(f) ARPA Act Irrevocable Escrow

On April 22, 2022, the City, for and on behalf of the Airport, executed an Irrevocably Committed Escrow Agreement (ARPA Act Irrevocable Escrow). The purpose of the ARPA Act Irrevocable Escrow is to secure and pay the debt service for senior and/or subordinate Lien debt. On April 29, 2022, the City for and on behalf of the Airport, deposited the full $204.3 million into the ARPA Act Irrevocable Escrow.

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



SCHEDULE OF AIRPORT PROPORTIONATE SHARE
NET PENSION LIABILITY
DECEMBER 31 ($ IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015
DEN proportionate share of the net pension liability	12.063610%	13.736040%	12.725930%	11.994930%	12.618330%	13.400670%	13.13003%
DEN proportionate share of the net pension liability	$ 187,776	$ 199,878	$ 191,995	$ 140,679	$ 153,869	$ 158,033	$ 115,000
DEN covered payroll	$ 94,052	$ 97,266	$ 92,132	$ 88,612	$ 85,209	$ 84,601	$ 75,901
DEN proportionate share of the net pension liability as a percentage of its covered payroll	199.65%	205.50%	208.39%	158.76%	180.58%	186.80%	151.51%
Plan fiduciary net position as a percentage of the total pension liability	60.32%	60.82%	57.76%	65.49%	62.26%	62.26%	70.11%

Notes: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Information presented in this schedule has been determined as of the Airport's measurement date (December 31 of the year prior to the most recent fiscal year-end) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Changes in assumptions: The discount rate used to measure the total pension liability at December 31, 2017 and 2020 changed from 7.75% to 7.50% and from 7.50% to 7.25%, respectively, from the prior measurement date.

SCHEDULE OF AIRPORT CONTRIBUTIONS
NET PENSION LIABILITY
DECEMBER 31 ($ IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 13,778	$ 13,133	$ 11,937	$ 10,873	$ 9,513	$ 9,176	$ 9,109
Contributions in relation to the contractually required contribution	13,778	13,133	11,937	10,873	9,513	9,176	9,109
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DEN covered payroll	$ 92,442	$ 94,052	$ 97,266	$ 92,132	$ 88,612	$ 85,209	$ 84,601
Contributions as a percentage of covered payroll	14.90%	13.96%	12.27%	11.80%	10.74%	10.77%	10.77%

Notes: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Information presented in this schedule has been determined as of the Airport's most recent fiscal year-end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

There were no benefit changes during the year. For the year ended December 31, 2021 the discount rate used to measure the total pension liability changed to 7.25% from 7.50% at December 31, 2019. For the year ended December 31, 2019 the discount rate used to measure the total pension liability changed to 7.50% from 7.75% at December 31, 2017. For the year ended December 31, 2017 the discount rate used to measure the total pension liability changed to 7.75% from 8.00% at December 31, 2015. The latest experience study was conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017. At the time, the recommended mortality table was expected to produce a margin of 8% on the retired male mortality experience and 7% on the retired female experience (Sourcr: Denver Employees Retirement Plan 2013 Actuarial Experience Study for the period ending December 31, 2012,

OTHER POSTEMPLOYMENT BENEFIT PLANS
SCHEDULE OF AIRPORT PROPORTIONATE SHARE
NET OPEB LIABILITY
DECEMBER 31 ($ IN THOUSANDS)

OPEB	2021	2020	2019	2018
DEN proportion of the net liability	12.080280%	13.782320%	12.997740%	12.346330%
DEN proportionate share of the net liability	$ 11,725	$ 13,555	$ 13,594	$ 10,855
DEN covered payroll	$ 94,052	$ 97,266	$ 92,132	$ 88,612
DEN proportionate share of the net liability as a percentage of its covered payroll	12.47%	13.94%	14.75%	12.25%
Plan fiduciary net position as a percentage of the total liability	43.59%	42.16%	39.18%	45.98%

Notes: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Information present in this schedule has been determined as of the Airport's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net OPEB liability in accordance with Governmental Accounting Standards Board Statement

OTHER POSTEMPLOYMENT BENEFIT PLANS
SCHEDULE OF AIRPORT EMPLOYER CONTRIBUTIONS
NET OPEB LIABILITY
DECEMBER 31 ($ IN THOUSANDS)

OPEB	2021	2020	2019	2018
Actuarially required contribution	$ 830	$ 701	$ 644	$ 539
Contributions in relation to the actuarially required contribution	725	726	697	674
Contribution deficiency (excess)	105	(25)	(53)	(135)
DEN covered payroll	$ 92,442	$ 94,052	$ 97,266	$ 92,132
Contributions as a percentage of covered payroll	0.8%	0.8%	0.7%	0.7%

Notes: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Information presented in this schedule has been determined as of the Airport's most recent fiscal year-end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 75.

There were no benefit changes during the year.

Changes in assumptions. For the year ended December 31, 2021 the discount rate used to measure the total pension liability changed to 7.25% from 7.50%.

OTHER POSTEMPLOYMENT BENEFIT PLANS
SCHEDULE OF AIRPORT PROPORTIONATE SHARE
IMPLICIT RATE SUBSIDY
DECEMBER 31 ($ IN THOUSANDS)

Implicit rate subsidy	**2021**	**2020**	**2019**	**2018**
DEN proportion of the total liability	12.706530%	9.227772%	9.687901%	9.788102%
DEN proportionate share of the total liability	$ 11,745	$ 8,061	$ 7,721	$ 7,693
DEN covered-employee payroll	$ 94,052	$ 97,266	$ 92,132	$ 88,612
DEN proportionate share of the total liability as a percentage of its covered-employee payroll	12.49%	8.29%	8.38%	8.68%

Notes: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presened.

Information present in this schedule has been determined as of the Airport's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective total implicit rate subsidy OPEB liabilities in accordance with Governmental Accounting Standards Board Statement No. 75.

There were no benefit changes during the year. The latest experience study was conducted in 2013 covering the 5-year period of January 1, 2008 to December 31, 2012. At the time, the recommended mortality table was expected to produce a margin of 8% on the retired male mortality experience and 7% on the retired female experience (Source: Denver Employees Retirement Plan 2013 Actuarial Experience Study for the period ending December 31, 2012, page 24). No assets are accumulated in a trust to pay related benefits.

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT
OTHER INFORMATION (UNAUDITED)

SCHEDULE OF COMPLIANCE WITH RATE MAINTENANCE COVENANT AS DEFINED IN THE 1984 AIRPORT SYSTEM GENERAL BOND ORDINANCE AIRPORT REVENUE ACCOUNT

YEAR ENDED DECEMBER 31, 2021 ($ IN THOUSANDS)

Gross revenues:	
Facility rentals	$225,699
Concession income	73,462
Parking income	147,809
Car rental income	78,413
Landing fees	153,454
Aviation fuel tax	21,626
Ground transportation	13,848
Other sales and charges	7,034
Customer facility fee revenue	15,585
Interest income	37,761
Designated passenger facility charges	108,387
Hotel	43,674
Miscellaneous income	2,698
Total gross revenues	**$929,450**
Operation and maintenance (O&M) expenses:	
Personnel services	$169,740
Contractual services	213,208
Maintenance, supplies, and materials	18,636
Hotel	22,458
Total O&M expenses	**$424,042**
Net revenues	$505,408
Other available funds	35,051
Net revenues plus other available funds	**$540,459**
Debt service coverage - senior bonds:	
Debt Service Requirements - senior bonds	$212,915
Less: Application of escrow proceeds	(72,710)
Net debt service requirements - senior bonds	**$140,205**
Debt service coverage - senior bonds	**385%**
Debt service coverage - all bonds:	
Debt service requirements - subordinate bonds	$183,158
Less: Application of escrow proceeds	(66,373)
Net debt service requirements - senior bonds	140,205
Net debt service requirements - all bonds	**$256,990**
Debt service coverage - all bonds	**210%**

Notes: Debt service requirements are net of capitalized interest.
For additional information on escrow proceeds, see CARES Act (p. 21)
See accompanying independent auditors' report

SCHEDULE OF REQUIRED DEPOSITS TO THE BOND ACCOUNT, BOND RESERVE ACCOUNT, AND THE OPERATIONAL AND MAINTENACE RESERVE ACCOUNT AS DEFINED IN THE 1984 AIRPORT SYSTEM GENERAL BOND ORDINANCE

YEAR ENDED DECEMBER 31, 2021

(1) Bond Account

There shall be credited to the Bond Account, in the following order of priority:

(a) Interest Account

The required monthly deposit to the Bond Interest Account, commencing on the first day of the month immediately succeeding the issuance of any bonds, is an amount which, if made in substantially equal installments, would be sufficient to pay the next maturing installment of interest on such series bonds ($ in thousands).

Bond Series	Interest Payment Date	Balance Interest Due	Required Interest Account Balance at 12/31/2021
Series 2002C	01/01/22	$ 7	$ 7
Series 2007G1-G2	01/01/22	82	82
Series 2008B	01/01/22	15	15
Series 2009B	05/15/22	2,094	523
Series 2009C	01/01/22	23	23
Series 2012A	05/15/22	2,811	703
Series 2012B	05/15/22	6,290	1,573
Series 2012C	05/15/22	544	136
Series 2013A	05/15/22	7,833	1,958
Series 2013B	05/15/22	9,109	2,277
Series 2015A	05/15/22	1,105	276
Series 2016A	05/15/22	5,176	1,294
Series 2017A	05/15/22	4,245	1,061
Series 2017B	05/15/22	532	133
Series 2018A	05/15/22	56,154	9,359
Series 2018B	05/15/22	4,392	732
Series 2019A	05/15/22	715	179
Series 2019C	05/15/22	3,000	750
Series 2019D	05/15/22	2,093	523
Series 2020A-1	05/15/22	2,270	567
Series 2020A-2	05/15/22	1,173	293
Series 2020B-1	05/15/22	711	178
Series 2020B-2	05/15/22	602	150
Series 2020C	05/15/22	4,331	1,083
Series 2021A-B	01/01/22	11	11
Series 2021C	05/15/22	56	5
			$ 23,891

SCHEDULE OF REQUIRED DEPOSITS TO THE BOND ACCOUNT, BOND RESERVE ACCOUNT, AND THE OPERATIONAL AND MAINTENACE RESERVE ACCOUNT AS DEFINED IN THE 1984 AIRPORT SYSTEM GENERAL BOND ORDINANCE

YEAR ENDED DECEMBER 31, 2021

(b) Principal Account

The required monthly deposit to the Bond Principal Account, commencing on the first day of the month immediately succeeding the issuance of any Serial Bonds, or commencing one year prior to the first fixed maturity date of such Serial Bonds, whichever date is later, is an amount which, if made in substantially equal installments, would be sufficient to pay the next maturing installment of principal of such Serial Bonds ($ in thousands).

Bond series	Principal Payment Date	Balance Principal Due	Required Principal Account Balance at 12/31/2021
2002C	11/15/22	$ 3,400	$ 425
2007G1-G2	12/01/22	7,200	600
2008B	11/15/22	5,500	688
2009C	11/15/22	11,200	1,400
2012A	11/15/22	14,545	1,818
2012B	11/15/22	6,620	828
2017A	11/15/22	13,980	1,748
2013A	11/15/22	4,840	605
2013B	11/15/22	6,925	866
2018A	12/01/22	24,180	2,015
2018B	12/01/22	275	23
2019A	11/15/22	28,060	3,508
Series 2020A-1	11/15/22	48,400	6,050
Series 2020A-2	11/15/22	10,290	1,286
Series 2020B-1	11/15/22	9,490	1,186
Series 2020C	11/15/22	845	106
Series 2021 A-B	11/15/22	3,500	438
Series 2021 C	11/15/22	26,220	1,093
			$ 24,683

(c) Sinking Account

The required monthly deposit to the Bond Sinking Account, commencing on the first day of the 12th calendar month prior to the date on which the City is required to pay any Term Bonds, is one-twelfth of the amount necessary to pay the redemption price or principal of such Term Bonds scheduled to be retired in any year by mandatory redemption, at fixed maturity or otherwise, except to the extent any other monies, including without limitation, monies in any escrow account, are available therefore.

SCHEDULE OF REQUIRED DEPOSITS TO THE BOND ACCOUNT, BOND RESERVE ACCOUNT, AND THE OPERATIONAL AND MAINTENACE RESERVE ACCOUNT AS DEFINED IN THE 1984 AIRPORT SYSTEM GENERAL BOND ORDINANCE
YEAR ENDED DECEMBER 31, 2021

(d) Redemption Account

The required deposit to the Bond Redemption Account, on or prior to any date on which the Airport exercises its option to call for prior redemption of any Bonds, is an amount necessary to pay the redemption price of such bonds on such Redemption Date, except to the extent any other monies, including without limitation, monies in any escrow account, are available therefore.

As of December 31, 2021, the redemption account had a balance of $28.7 million for the sixth runway and baggage system.

(e) Bond Account Summary

The sum of the required bond account balances described in items (a) through (d) above is as follows ($ in thousands):

BOND ACCOUNT SUMMARY

Bond account balance at December 31, 2021	$	78,405
Aggregate required bond account balance		77,992
Overfunded	$	413

(2) Bond Reserve Account

The City is required, after making required monthly deposits to the Interest, Principal, Sinking Account, and Redemption accounts of the Bond Account, to apply Net Revenues to fund the Bond Reserve Account, in an amount equal to the maximum annual interest and principal payable on all outstanding Senior Bonds of the Airport, as defined in the General Bond Ordinance. The amount deposited to the Bond Reserve Account at December 31, 2021 is $387.3 million. The minimum Bond Reserve Account requirement for both Senior and Subordinate Lien Bonds is $385.5 million.

(3) Operation and Maintenance Reserve Account

The operation and maintenance reserve account balance must be funded at an amount equal to no less than two months and no more than four months of the prior year operating expenses. Airport management funds the reserve based on three months of the prior year operating expenses. The operation and maintenance expenses noted below is presented as defined within the 1984 Airport System General Bond Ordinance ($ in thousands).

2020 Operation and Maintenance expenses	$	407,365
Minimum operations and maintenance reserve requirement for 2021	$	67,894
Operation and maintenance reserve account balance at December 31, 2021		116,573
Overfunded	$	48,679

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION (UNAUDITED)

This section details historical information for supporting reader's understanding of financial statements and note disclosures presented in the Airport's Annual Comprehensive Financial Report.

CONTENTS

FINANCIAL TRENDS

This data is intended to help the reader understand how the Airport's financial position has changed over time. Schedules included are:

(1) Summary of Net Position

(2) Summary of Changes in Net Position

(3) Summary of Operating Expenses

(4) Summary of Nonoperating Income and Expenses

REVENUE CAPACITY

This data is intended to help the reader understand the major the Airport's revenue sources. Schedules included are:

(5) Summary of Operating Revenues

(6) Market Share of Air Carriers/Enplaned Passengers by Airline

(7) Historical Passenger Facility Charge Revenues

Additional information effecting airport revenue capacity is provided in the Operating Information Section below.

DEBT CAPACITY

This data is intended to help the reader assess the Airport's ability to service existing debt and ability to issue additional debt in the future. Schedules included are:

(8) Outstanding Debt Principal by Type

(9) Debt Service Coverage under the Bond Ordinance

DEMOGRAPHIC AND ECONOMIC INFORMATION

This data contains demographic and economic indicators to help the reader understand the environment within which the Airport's financial activities take place. Schedules included are:

(10) City and County of Denver Demographic and Economic Statistics

(11) City and County of Denver Principal Employers

OPERATING INFORMATION

This data offers information about the Airport's operations and resources to help the reader understand how the Airport's financial information relates to the services it provides and activities it performs. Schedules included are:

(12) Passenger and Operating Statistics

(13) Enplaned Passengers by Major Airline Category

(14) Aircraft Operations

(15) Landed Weight

(16) Enplaned Cargo Operations

(17) Career Service Employees

(18) Nature, Volume and Usage of Capital Assets

(19) Summary of Insurance Coverage

(1) Summary of Net Position

Years Ended 2012 - 2021
($ in thousands)

Purpose: This schedule provides information on the restricted and unrestricted components of net position for the last ten years of the Airport's operations.

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net investment (deficit) in capital assets	$ (136,825)	$ (104,547)	$ (157,375)	$ (29,619)	$ 78,760	$ (141,151)	$ (626,147)	$ (730,285)	$ (719,304)	$ (560,746)
Restricted for capital projects	14,692	18,622	13,835	11,264	2,708	10,153	32,479	23,119	16,086	22,669
Restricted for debt service	371,249	636,410	476,888	495,973	484,893	456,744	636,529	642,318	653,222	634,649
Unrestricted net position	1,322,900	856,703	918,297	691,347	457,312	508,395	682,592	764,259	623,519	456,464
Total net position	$ 1,572,016	$ 1,407,188	$ 1,251,645	$ 1,168,965	$ 1,023,673	$ 834,141	$ 725,453	$ 699,411	$ 573,523	$ 553,036

Source: Airport annual financial reports and management records

(2) Summary of Changes in Net Position

Years Ended 2012 - 2021
($ in thousands)

Purpose: This statement provides information on operating revenues and expenses, nonoperating income, capital contributions, and changes in net position for the last ten years of the Airport's operations.

	2021	2020	2019	2018 (3)	2017	2016	2015 (2)	2014	2013	2012 (1)
Operating revenues	$716,396	$591,810	$867,793	$808,360	$768,925	$742,529	$687,536	$711,491	$661,637	$624,673
Operating expenses excluding depreciation	461,413	475,900	584,472	474,314	453,532	469,810	436,803	413,563	431,935	388,171
Income before depreciation/ amortization	254,983	115,910	283,321	334,046	315,393	272,719	250,733	297,928	229,702	236,502
Depreciation and amortization	226,852	210,513	203,321	193,009	183,351	179,692	163,714	183,560	184,721	178,567
Operating income	28,131	(94,603)	80,000	141,037	132,042	93,027	87,019	114,368	44,981	57,935
Nonoperating revenues (expenses)	111,883	216,373	53,172	(3,787)	1,611	12,108	9,106	(9,013)	(55,906)	(46,259)
Income before capital contributions	140,014	121,770	133,172	137,250	133,653	105,135	96,125	105,355	(10,925)	11,676
Capital contributions/grants/transfers	24,814	33,773	15,301	26,730	55,879	3,553	20,483	20,533	31,412	22,996
Change in net position before special item	164,828	155,543	148,473	163,980	189,532	108,688	116,608	125,888	20,487	34,672
Special item (4)	-	-	(65,793)	-	-	-	-	-	-	-
Change in net position	$164,828	$155,543	$ 82,680	$163,980	$189,532	$108,688	$116,608	$125,888	$ 20,487	$ 34,672

(1) Restated for GASB 65, *Items Previously Reported as Assets and Liabilities*

(2) Restated for GASB 68, *Accounting and Financial Reporting for Pension*

(3) Restated for GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*

(4) Special Item was recorded as defined in GASB 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments,* as related to the termination of the Great Hall Agreement.

Source: Airport annual financial reports and management records

(3) Summary of Operating Expenses

Years Ended 2012 - 2021
($ in thousands)

Purpose: This statement provides information on operating expenses by type for the last ten years of Airport's operations.

	2021	2020	2019	2018 (3)	2017	2016	2015 (2)	2014	2013	2012
Personnel	$178,530	$198,582	$194,317	$173,979	$171,151	$165,114	$148,518	$134,699	$125,608	$120,334
Contractual services	213,225	193,606	241,264	227,918	216,501	212,699	197,459	194,712	194,666	175,420
Repair and maintenance projects	22,372	29,229	32,296	19,423	14,071	37,514	55,358	57,049	81,234	68,047
Maintenance, supplies and material	18,867	19,092	28,649	24,378	24,452	27,547	32,911	27,103	30,427	24,370
Hotel (1)	22,458	17,378	31,446	28,616	27,357	26,936	2,557	-	-	-
Legal/claim reserve expense	5,961	18,013	56,500	-	-	-	-	-	-	-
Total operating expenses	$461,413	$475,900	$584,472	$474,314	$453,532	$469,810	$436,803	$413,563	$431,935	$388,171

(1) Hotel opened November 19, 2015
(2) Adopted GASB 68, *Accounting and Financial Reporting for Pension*
(3) Adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*

Source: Airport annual financial reports and management records

(4) Summary of Nonoperating Income and Expenses

Years Ended 2012 - 2021
($ in thousands)

Purpose: This statement provides information on nonoperating income and expenses by source/type/activity for the last ten years of the Airport's operations.

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Passenger facility charges	$113,500	$ 64,922	$132,484	$123,907	$118,333	$114,230	$106,007	$103,959	$103,032	$105,472
Customer facility charges (1)	15,585	10,621	21,525	20,019	19,492	19,884	18,598	17,215	-	-
Investment income	(34,937)	150,043	171,096	73,802	46,779	39,274	40,648	44,030	25,205	46,899
Interest expense	(221,738)	(247,293)	(270,394)	(214,799)	(188,152)	(156,481)	(169,413)	(176,177)	(183,359)	(190,347)
Grants (2)	-	-	-	-	873	686	622	516	481	675
CARES Act funds	250,880	269,074	-	-	-	-	-	-	-	-
Other revenues (expenses)	(11,407)	(30,994)	(1,539)	(6,716)	4,286	(5,485)	12,644	1,444	(1,265)	(8,958)
Total nonoperating revenues (expenses)	$111,883	$216,373	$ 53,172	$ (3,787)	$ 1,611	$ 12,108	$ 9,106	$ (9,013)	$ (55,906)	$ (46,259)

(1) Customer Facility Charges imposed on on-airport rental car companies effective January 1, 2014.
(2) These grants represent operation reimbursements and have been included in operating revenues.

Source: Airport annual financial reports and management records

(5) Summary of Operating Revenues

Years Ended 2012 - 2021
($ in thousands)

Purpose: This statement provides information on operating income by revenue type for the last ten years of the Airport's operations.

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Airline revenues:										
Facility rentals	$ 187,007	$ 226,837	$ 210,836	$ 196,065	$ 180,443	$ 198,407	$ 194,004	$ 235,774	$ 214,251	$ 211,411
Landing fees	150,575	135,708	175,636	161,981	171,708	150,850	147,379	147,841	137,549	127,346
Total airline revenues	337,582	362,545	386,472	358,046	352,151	349,257	341,383	383,615	351,800	338,757
Non-airline revenues:										
Parking	147,809	88,259	203,502	189,890	176,006	176,949	178,478	167,851	159,465	137,912
Concession	69,120	45,216	85,703	83,297	68,269	67,408	59,677	55,863	52,022	49,592
Car rental	75,703	45,993	80,348	72,621	71,806	66,727	65,309	59,655	50,002	47,222
Hotel (1)	43,674	24,481	62,088	53,304	47,412	43,262	3,205	-	-	-
Aviation fuel tax	21,626	9,789	25,464	25,039	25,993	18,892	19,458	26,298	28,101	32,783
Ground transportation (2)	13,848	8,575	19,997	17,313	12,449	10,594	9,669	-	-	-
Stimulus funds - operating	-									
Other sales and charges	7,034	6,952	4,219	8,850	14,839	9,440	10,357	18,209	20,247	18,407
Total non-airline revenues	378,814	229,265	481,321	450,314	416,774	393,272	346,153	327,876	309,837	285,916
Total operating revenues	$ 716,396	$ 591,810	$ 867,793	$ 808,360	$ 768,925	$ 742,529	$ 687,536	$ 711,491	$ 661,637	$ 624,673

(1) Hotel was opened in November 2015
(2) Ground transportation revenue were not significant and included in other sales and charges before 2015

Source: Airport annual financial reports and management records

(6) Market Share of Air Carriers/Enplaned Passengers by Airline

Years Ended 2012 - 2021

Purpose: This schedule provides information on enplaned passengers by air carrier for the last ten years of the Airport's operations.

Airline	2021 Number	2021 Percent of Total	2021 Increase/ Decrease	2020 (1) Number	2020 (1) Percent of Total	2020 (1) Increase/ Decrease	2019 Number	2019 Percent of Total	2019 Increase/ Decrease	2018 Number	2018 Percent of Total	2018 Increase/ Decrease	2017 Number	2017 Percent of Total	2017 Increase/ Decrease
United	12,914,667	43.9%	81.7%	7,107,248	42.1%	-54.0%	15,436,452	44.7%	10.0%	14,027,769	43.5%	8.1%	12,976,883	42.3%	6.0%
Southwest	9,316,922	31.7%	82.2%	5,113,869	30.3%	-46.0%	9,467,075	27.4%	0.9%	9,386,197	29.1%	2.7%	9,137,172	29.7%	6.7%
Frontier	3,225,934	11.0%	37.0%	2,354,879	14.0%	-43.6%	4,176,993	12.1%	13.0%	3,696,254	11.5%	5.6%	3,501,127	11.4%	-1.9%
American	1,446,247	4.9%	65.2%	875,460	5.2%	-46.4%	1,632,621	4.7%	0.8%	1,619,744	5.0%	-3.8%	1,682,943	5.5%	2.4%
Delta	1,353,532	4.6%	94.1%	697,259	4.1%	-62.0%	1,837,221	5.3%	6.3%	1,728,487	5.4%	5.7%	1,635,708	5.3%	9.8%
Other	1,160,580	3.9%	60.1%	725,128	4.3%	-63.1%	1,962,592	5.8%	9.0%	1,800,766	5.5%	1.2%	1,780,178	5.8%	9.4%
Total Enplanements	29,417,882	100.0%	74.3%	16,873,843	100.0%	-51.1%	34,512,954	100.0%	7.0%	32,259,217	100.0%	5.0%	30,714,011	100.0%	5.4%

Airline	2016 Number	2016 Percent of Total	2016 Increase/ Decrease	2015 Number	2015 Percent of Total	2015 Increase/ Decrease	2014 Number	2014 Percent of Total	2014 Increase/ Decrease	2013 Number	2013 Percent of Total	2013 Increase/ Decrease	2012 Number	2012 Percent of Total	2012 Increase/ Decrease
United	12,246,077	42.0%	7.2%	11,420,973	42.3%	5.2%	10,860,408	40.6%	1.9%	10,659,186	40.6%	-0.9%	10,760,076	40.5%	-4.8%
Southwest	8,565,381	29.4%	8.0%	7,929,104	29.3%	12.2%	7,064,833	26.4%	5.1%	6,721,126	25.6%	6.7%	6,301,166	23.7%	9.5%
Frontier	3,567,393	12.2%	6.2%	3,360,127	12.4%	-31.9%	4,932,132	18.4%	-1.6%	5,014,710	19.1%	-13.9%	5,825,717	21.9%	-0.6%
American	1,644,265	5.6%	0.1%	1,642,461	6.1%	6.8%	1,537,392	5.8%	4.1%	1,476,796	5.6%	0.2%	1,473,351	5.5%	7.4%
Delta	1,490,271	5.1%	11.7%	1,333,693	4.9%	13.0%	1,179,878	4.4%	-1.8%	1,200,920	4.6%	-1.2%	1,215,718	4.6%	-1.3%
Other	1,626,817	5.7%	22.1%	1,332,571	4.9%	14.7%	1,162,041	4.4%	-4.2%	1,212,569	4.5%	18.8%	1,020,963	3.8%	9.6%
Total Enplanements	29,140,204	100.0%	7.9%	27,018,929	100.0%	1.1%	26,736,684	100.0%	1.7%	26,285,307	100.0%	-1.2%	26,596,991	100.0%	0.5%

(1) In March 2020, the COVID-19 pandemic impacted overall passenger traffic and airline activity.

Source: Airport annual financial reports and management records

(7) Historical Passenger Facility Charge Revenues

Years Ended 2012 - 2021
($ in thousands)

Purpose: This schedule provides information on passenger facility charge revenues for the last ten years of the Airport's operations.

Fiscal Year		PFC Revenue
2012		105,472
2013		103,032
2014		103,959
2015		106,007
2016		114,230
2017		118,333
2018		123,907
2019		132,484
2020	(1)	64,922
2021		113,500

(1) In March 2020, the COVID-19 pandemic impacted overall passenger traffic and airline activity.

Source: Airport annual financial reports and management records

(8) Outstanding Debt Principal by Type

Years Ended 2012 - 2021
($ in thousands)

Purpose: This schedule provides information on outstanding bond debt principal net of unamortized premiums and discounts for the last ten years of the Airport's operations.

			Direct Placement (1)				
Fiscal Year	Senior Bonds	Subordinate Bonds	Senior Bonds	Subordinate Bonds	Defeasances	Unamortized Net Premiums	Outstanding Debt
2011	3,676,831	-	-	-	101,864	70,010	3,848,705
2012	3,811,909	-	-	-	85,511	167,602	4,065,022
2013	3,678,195	719,915	-	-	43,285	172,681	4,614,076
2014	3,521,835	719,915	-	-	43,275	153,214	4,438,239
2015	3,161,650	910,760	-	-	40,080	128,879	4,241,369
2016	2,955,860	894,955	-	-	40,080	144,853	4,035,748
2017	2,755,415	1,170,085	-	-	40,080	161,983	4,127,563
2018	2,606,895	3,358,540	-	-	40,080	409,278	6,414,793
2019	1,850,030	3,196,475	376,555	294,280	40,080	413,874	6,171,294
2020	1,824,230	3,176,130	262,155	250,925	40,080	376,825	5,930,345
2021	1,695,365	3,155,980	227,155	930,150	-	335,548	6,344,198

(1) Implementation of GASB 88, Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placement

Source: Airport annual financial reports and management records

(9) Debt Service Coverage under the Bond Ordinance

Years Ended 2012 - 2021
($ in thousands)

Purpose: This schedule provides information on compliance with rate maintenance covenant as defined in the 1984 Airport System General Bond Ordinance for the last ten years of the Airport's operations.

	2021	2020	2019 (2)	2018	2017	2016	2015	2014	2013	2012
Gross revenues	$ 929,450	$ 748,264	$1,102,851	$ 945,206	$ 895,963	$ 863,126	$ 808,781	$ 803,620	$ 743,101	$713,279
Operation and maintenance expenses	424,042	407,365	478,305	445,801	425,005	417,140	381,445	355,769	349,987	318,394
Net revenues	505,408	340,899	624,546	499,405	470,958	445,986	427,336	447,851	393,114	394,885
Other available funds	35,051	39,848	68,365	43,901	47,090	51,574	56,908	54,834	50,409	51,685
Total amount available for debt service requirements	540,459	380,747	692,911	543,306	518,048	497,560	484,244	502,685	443,523	446,570
Senior bonds:										
Debt service requirements	$ 140,205	$ 159,392	$ 273,460	$ 175,605	$ 188,360	$ 206,295	$ 201,279	$ 219,334	$ 202,758	$209,520
Debt service coverage	385%	239%	253%	309%	275%	241%	241%	229%	219%	213%
All Bonds:										
Debt service requirements	$ 256,990	$ 252,387	$ 376,265	$ 276,949	$ 282,251	$ 294,914	$ 262,516	$ 268,422	$ 242,816	$247,563
Debt service coverage (1)	210%	151%	184%	196%	184%	169%	184%	187%	183%	180%

(1) The Airport's governing bond ordinances require that the Airport's net revenues plus other available funds, as defined in the bond ordinance, be sufficient to provide debt service coverage of 125% of the annual debt service requirement on senior bonds and 110% of the aggregate annual debt service requirements on senior and subordinate bonds, and junior liens.

(2) Beginning in Fiscal Year 2019 and thereafter, all PFC revenues received by the City (net of the PFC collection fees retained by airlines) are being included in Gross Revenues for purposes of the Bond Ordinances until such time as the Manager gives written notice to the Treasurer to stop including all or a portion of PFCs in Gross Revenues.

Source: Airport annual financial reports and management records

(10) City and County of Denver Demographics and Economic Statistics

Years Ended 2012 - 2021

Purpose: This schedule provides information on certain City and County of Denver demographic and economic statistics for the last ten years.

Fiscal Year	Population	Personal Income ($ in millions)	Per Capita Personal Income	Unemployment Rate
2012	634,265	35,721	56,318	8.20%
2013	649,495	36,999	56,967	7.00%
2014	663,862	41,743	62,880	4.30%
2015	682,545	46,617	68,299	3.70%
2016	693,060	46,612	67,256	3.00%
2017	693,292	47,289	69,862	3.00%
2018	716,492	57,211	79,849	3.00%
2019	727,211	61,348	84,361	2.50%
2020	749,103	52,304	69,822	6.90%
2021	711,463	n/a	n/a	4.20%

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics
U.S. Census Bureau
U.S. Department of Commerce

(11) City and County of Denver Principal Employers

Years Ended 2012 - 2021

Purpose: This schedule provides information on the principal employers for the current year and the year nine years prior.

Principle Employer	2021 Employees	2021 Rank	2021 Percent of Total City Employment	2012 Employees	2012 Rank	2012 Percent of Total City Employment
Denver Public School District #1	12,364	1	2.2%	11,332	1	3.1%
City and County of Denver	10,754	2	1.9%	9,704	2	2.7%
State of Colorado Central Payroll	9,978	3	1.7%	9,606	3	2.6%
Denver Health & Hospital Authority	7,212	4	1.3%	5,314	5	1.5%
United Airlines, Inc	6,814	5	1.2%	4,209	6	1.2%
CHC Payroll Agent, Inc. (HCA Health One)	4,390	6	0.8%	4,180	7	1.1%
University of Denver	4,332	7	0.8%	3,713	8	1.0%
USDA National Finance Center	4,252	8	0.7%	7,593	4	2.1%
Southwest Airlines	2,892	9	0.5%			
ADP TotalSource	2,682	10	0.5%			
University of Colorado				3,314	9	0.9%
Accounting Service Center (U.S. Postal Service)				3,262	10	0.9%
Total	65,670		11.6%	62,227		17.1%

Source: City and County of Denver - December 31, 2021 Annual Comprehensive Financial Report

(12) Passengers and Operating Statistics

Years Ended 2012 - 2021

Purpose: This schedule provides passenger statistics, information on aircraft operations, landed weight and enplaned cargo for the last ten years of the Airport's operations.

Fiscal Year		Enplaned Passengers Number	Enplaned Passengers Increase/ Decrease	Aircraft Operations Number	Aircraft Operations Increase/ Decrease	Landed Weight (million lbs.) Number	Landed Weight (million lbs.) Increase/ Decrease	Enplaned Cargo (in tons) Number	Enplaned Cargo (in tons) Increase/ Decrease
2012		26,596,991	0.5%	618,257	(2.6%)	31,889	(1.9%)	113,867	(6.1%)
2013		26,285,307	(1.2%)	586,860	(5.1%)	30,603	(4.0%)	111,386	(2.2%)
2014		26,736,684	1.7%	575,161	(2.0%)	30,351	(0.8%)	114,729	3.0%
2015		27,018,929	1.1%	547,648	(4.8%)	30,055	(1.0%)	119,332	4.0%
2016		29,140,204	7.9%	572,520	4.5%	32,421	7.9%	114,705	(3.9%)
2017		30,714,011	5.4%	582,486	1.7%	33,884	4.5%	119,424	4.1%
2018		32,259,217	5.0%	603,403	3.6%	35,216	3.9%	129,131	8.1%
2019		34,512,954	7.0%	640,098	6.1%	37,668	7.0%	142,819	10.6%
2020	(1)	16,873,843	(51.1%)	442,571	(30.9%)	26,146	(30.6%)	146,644	2.7%
2021		29,417,882	74.3%	593,916	34.2%	35,614	36.2%	141,482	(3.5%)

(1) In March 2020, the COVID-19 pandemic impacted overall passenger traffic and airline activity.

Source: Airport annual financial reports and management records

(13) Enplaned Passengers by Major Airline Category

Years Ended 2012 - 2021

Purpose: This schedule provides information on the enplaned passengers by major airline category for the last ten years of the Airport's operations.

Fiscal Year		Major/International Number	Major/International Percent of Total	Regional/Commuter Number	Regional/Commuter Percent of Total	Charter/Miscellaneous Number	Charter/Miscellaneous Percent of Total	Total Number	Total Increase/ Decrease
2012		21,984,133	82.7%	4,323,837	16.3%	289,021	1.0%	26,596,991	0.5%
2013		21,618,114	82.2%	4,436,819	16.9%	230,374	0.9%	26,285,307	(1.2%)
2014	(1)	21,962,984	82.1%	4,767,207	17.8%	6,493	minimal	26,736,684	1.7%
2015		22,713,090	84.1%	4,296,830	15.9%	9,009	minimal	27,018,929	1.1%
2016		24,979,910	85.7%	4,155,887	14.3%	4,407	minimal	29,140,204	7.9%
2017		26,758,785	87.1%	3,953,656	12.9%	1,570	minimal	30,714,011	5.4%
2018		27,951,205	86.6%	4,306,957	13.4%	1,055	minimal	32,259,217	5.0%
2019		29,909,994	86.7%	4,601,264	13.3%	1,696	minimal	34,512,954	7.0%
2020	(2)	14,595,597	86.5%	2,277,837	13.5%	409	minimal	16,873,843	(51.1%)
2021		25,860,904	87.9%	3,556,567	12.1%	411	minimal	29,417,882	74.3%

(1) In 2014, the airport adjusted the methodology of classifying the airlines between each category based on the type of operation. This primarily included adjusting United Express international operations from Miscellaneous to Regional.

(2) In March 2020, the COVID-19 pandemic impacted overall passenger traffic and airline activity.

Purpose: This schedule provides information on the percentage of enplaned passengers by domestic and international airlines.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Domestic	96.7%	96.3%	95.8%	95.9%	96.1%	95.8%	95.4%	95.4%	97.3%	96.8%
International	3.3%	3.7%	4.2%	4.1%	3.9%	4.2%	4.6%	4.6%	2.7%	3.2%

Source: Airport annual financial reports and management records

(14) Aircraft Operations

Years Ended 2012 - 2021

Purpose: This schedule provides information on aircraft operations for the last ten years of the Airport's operations.

Fiscal Year		Air Carrier Number	Air Carrier Percent of Total	Commuter Number	Commuter Percent of Total	Taxi/General Aviation/ Military Number	Taxi/General Aviation/ Military Percent of Total	Total Number
2012		443,389	71.7%	170,809	27.6%	4,059	0.7%	618,257
2013		420,073	71.6%	162,719	27.7%	4,068	0.7%	586,860
2014		422,178	73.4%	148,436	25.8%	4,547	0.8%	575,161
2015		424,930	77.6%	118,147	21.6%	4,571	0.8%	547,648
2016		445,019	77.7%	122,982	21.5%	4,519	0.8%	572,520
2017		461,992	79.3%	116,305	20.0%	4,189	0.7%	582,486
2018		462,276	76.6%	137,027	22.7%	4,100	0.7%	603,403
2019		487,725	76.2%	148,223	23.2%	4,150	0.6%	640,098
2020	(1)	343,922	77.7%	96,217	21.7%	2,432	0.6%	442,571
2021		471,690	79.4%	119,015	20.0%	3,211	0.6%	593,916

(1) In March 2020, the COVID-19 pandemic impacted overall passenger traffic and airline activity.

Source: Airport annual financial reports and management records

(15) Landed Weight

Years Ended 2012 - 2021
(in million lbs.)

Purpose: This schedule provides information on landed weight for the last ten years of the Airport's operations.

Fiscal Year		Passenger Number	Passenger Percent of Total	Cargo/Other Number	Cargo/Other Percent of Total	Total Number
2012		30,685	96.2%	1,204	3.8%	31,889
2013		29,343	95.9%	1,260	4.1%	30,603
2014		29,036	95.7%	1,315	4.3%	30,351
2015		28,692	95.5%	1,363	4.5%	30,055
2016		30,996	95.6%	1,425	4.4%	32,421
2017		32,492	95.9%	1,392	4.1%	33,884
2018		33,725	95.8%	1,491	4.2%	35,216
2019		36,020	95.6%	1,648	4.4%	37,668
2020	(1)	24,328	93.0%	1,818	7.0%	26,146
2021		33,741	94.7%	1,873	5.3%	35,614

(1) In March 2020, the COVID-19 pandemic impacted overall passenger traffic and airline activity.

Source: Airport management records

(16) Enplaned Cargo Operations

Years Ended 2012 - 2021
(in tons)

Purpose: This schedule provides information on cargo operations for the last ten years of the Airport's operations.

	Freight and Express		Air Mail		Total
Fiscal Year	Number	Percent of Total	Number	Percent of Total	Number
2012	105,180	92.4%	8,687	7.6%	113,867
2013	104,477	93.8%	6,909	6.2%	111,386
2014	106,766	93.1%	7,963	6.9%	114,729
2015	107,447	90.0%	11,885	10.0%	119,332
2016	103,688	90.4%	11,017	9.6%	114,705
2017	105,749	88.5%	13,675	11.5%	119,424
2018	117,377	90.9%	11,754	9.1%	129,131
2019	134,861	94.4%	7,958	5.6%	142,819
2020	137,414	93.7%	9,230	6.3%	146,644
2021	128,531	90.8%	12,951	9.2%	141,482

Source: Airport annual financial reports and management records

(17) Career Service Employees

Years Ended 2012 - 2021

Purpose: This schedule provides information on the number of career service employees eligible for paid time off for the last ten years of the Airport's operations as of December 31.

Fiscal Year	Total Employees
2012	1,001
2013	1,035
2014	1,097
2015	1,125
2016	1,190
2017	1,151
2018	1,104
2019	1,133
2020	1,042
2021	969
Average Annual Increase (Decrease)	0.0%

Source: Airport management records

(18) Nature, Volume, and Usage of Capital Assets

Year Ended 2021

Purpose: This schedule provides information on the nature, volume, and usage of the Airport's capital assets for the year ended 2021.

Airport Information:	
Official name	Denver International Airport
Airport code	DEN
Ownership/operator	City and County of Denver/Department of Aviation
Distance from downtown Denver	24 miles
Elevation	5,434 feet
Total airport area	33,800 acres (53 square miles)

Demand for Services:	
Airlines	25
Destinations served	213 direct destinations including 23 international destinations in 12 countries
Flight operations	593,916
Annual passengers	3rd busiest airport in the United States serving 58.8 million passengers

Major Capital Assets:	
Terminal Complex	The terminal complex has a landside terminal, three airside concourses, the airport office building, and the Hotel and Transit Center. Within these concourses, there are 111 full-service gates and 24 ground loading positions. The airport was designed to facilitate expansion to more than 250 full-service gates either through lengthening of the existing or the construction of two additional concourses. The airport is currently adding 39 gates across all three concourses.

(continued)

Major Capital Assets:	
Terminal Complex	Jeppesen Terminal: Encompasses app. 1.2 million square feet (exclusive of international customs facilities, terminal support area and mechanical/electrical spaces), and includes ticketing, baggage claims, screening facilities, and other support services. It is currently being renovated and reconfigured to improve the security screening area, curbside space, and commercial concessions.
	Concourse A: Encompasses app. 1.4 million square feet and 29 full-service contact gates, of which eight gates are configured for international flights, as well as facilities dedicated to commuter airline operations.
	Concourse B: Encompasses app. 2.2 million square feet and 53 full-service gates plus facilities dedicated for commuter airline operations.
	Concourse C: Encompasses app. 0.9 million square feet and 29 full-service gates.
	Hotel and Transit Center: It includes 519-room Westin Denver International Airport hotel, a 37,500 square feet conference center, an 82,000 square foot open-air plaza, and a train station to serve RTD's commuter rail service to downtown Denver.
Other facilities	Various other facilities include general aviation facilities, remote facilities for rental car companies, facilities constructed and used by cargo carriers, a U.S Postal Service sorting and distribution facility and other airport warehousing, offices and distribution facilities and related infrastructures.

(continued)

Major Capital Assets:	
Runways	There are six runways - four oriented north-south and two oriented east-west. Five runways are 12,000 feet long and 150 feet wide. The sixth runway is 16,000 feet long and 200 feet wide. The airfield has substantial expansion capacity to accommodate up to 12 runways.
Transit system and walkways	The terminal and concourses are connected by an underground automated guideway transit system (AGTS) and elevated walkway connects the terminal with the Airport Office Building and Concourse A. A shuttle bus system is also available for the emergency transportation of passengers between the Concourses.
Parking capacity	There are two multi-level parking garages adjacent to Jeppesen Terminal, as well as close-in and remote surface parking lots that provide a total of 47,626 parking spaces: Garage parking: 15,889 Economy parking: 9,249 Shuttle parking: 17,405 Pena station parking: 800 Employee parking: 8,438
Car rental facilities	Five onsite rental car companies provide services at the airport. They collectively represent eleven brands: Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Payless, Sixt and Thrifty. Each company maintains its own customer service center, shuttle bus fleet and auto care facility. Off-site, or remote operators, also serve DEN passengers. Current brands authorized to operate from off-airport locations are Ace/Economy, Go-Car, NuCar, and Routes. The following companies provide car sharing service at the airport: Avail, Turo, and ZipCar.

Source: Airport management records

(19) Summary of Insurance Coverage

Year Ended 2021

Purpose: This schedule provides information on insurance coverage in place as of year ended 2021.

Policy Type	Insurer	Policy Number	Expiration Date	Annual Premium	Coverage
Airport Owner's Liability	AIG (lead) (1) AIG	AP-086448700-12 (primary)	5/1/2022	$ 639,041	$ 500,000,000
Cyber Liability	Homeland Lloyd's	720000089-0000 (primary) B080146953P21 (excess)	5/1/2022	$ 283,225	$ 10,000,000
Environmental Liability	Aspen	ERAG93E19	5/1/2022	$ 105,266	$ 10,000,000
Professional Liability (CDL)	Landmark	LHR788910	5/1/2022	$ 2,575	$ 1,000,000
Property	FM Global AIG	1078333 (primary) 034250342 (excess)	5/1/2022	$ 3,927,944	$ 2,500,000,000

(1) Quota share placement with additional policies with various insurers

Source: Airport management records

APPENDIX E

UNAUDITED QUARTERLY FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021

DEN

CITY & COUNTY OF DENVER | MUNICIPAL AIRPORT SYSTEM

QUARTERLY

FINANCIAL REPORT

FOR THE PERIOD ENDED JUNE 30, 2022 AND 2021

PREPARED BY THE FINANCE DIVISION

DEPARTMENT OF AVIATION

AN ENTERPRISE FUND OF THE CITY & COUNTY OF DENVER

COLORADO

2022 QUARTERLY FINANCIAL REPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Management's Discussion and Analysis (MD&A) (Unaudited)

The following discussion and analysis of the financial performance and activities of the Municipal Airport System (Airport System) of the City and County of Denver (the City) provides an introduction and understanding of the basic financial statements of the Airport System as of and for the six months ended June 30, 2022, 2021 and 2020. The Airport System includes the Denver International Airport (the Airport) and the former Stapleton International Airport (Stapleton). This discussion was prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Financial Highlights

Operating revenue at the Airport totaled $440.8 million, an increase of $113.0 million, or 34.5%, for the six-month period ended June 30, 2022, as compared to the same period in 2021. The overall increase was primarily due to an increase in facility rental revenue, partially offset by a decrease in landing fee revenue. Non-airline revenue totaled $247.6 million, an increase of $101.1 million, or 69.0%, primarily due to an increase in overall passengers. Non-airline revenue represented 56.2% of total operating revenue.

Operating expenses, exclusive of depreciation and amortization, totaled $242.7 million for the six-month period ended June 30, 2022, representing an increase of $34.4 million, or 16.5%, as compared to the six-month period ended June 30, 2021. The increase compared to prior year was primarily driven by a $15.4 million, or 15.5%, increase in contractual services, a $6.7 million, or 7.9%, increase in personnel costs, and a $4.5 million, or 47.6%, increase in hotel expenses.

COVID-19 Pandemic

General Description

The outbreak of a strain of coronavirus spread across the globe, including the United States. As a result of the COVID-19 Pandemic (COVID-19), the U.S. government and governments of other countries issued travel restrictions and warnings for numerous countries. Some of these restrictions have been adjusted and eliminated. Below is a timeline of some of the current mandates and requirements:

- On January 21, 2021, the President of the United States issued an Executive Order "*Promoting COVID-19 Safety in Domestic and International Travel*", requiring masks to be worn in airports, on commercial aircraft and in various modes of surface transportation.
- On April 30, 2021, the Transportation Security Administration (TSA) announced it was extending the face mask requirement for individual across all transportation networks through the United States, including at airports, onboard commercial aircraft, through September 13, 2021.
- On May 14, 2021, the Governor amended the Executive Order by providing fully vaccinated people to go without masks in public indoor spaces unless the setting required otherwise.
- On August 2, 2021, the Mayor announced that all Denver city employees, as well as private-sector workers in high-risk settings, were required to be fully vaccinated against COVID-19 by September 30, 2021. Denver airport employees were included in this public health order.
- On August 17, 2021, the TSA extended its mask mandate that applied to the public transportation network through January 18, 2022. The Airport continued its operations as an essential service, which included all services (i.e. concessions, rental car, etc.). Also, the Airport made it mandatory for all individuals to wear facial coverings within the Airport and provided face coverings for all individuals.

- On November 8, 2021, the international travel ban for non-essential travelers from select countries was lifted. All non-immigrant, non-citizen air travelers to the United States were required to be fully vaccinated and to provide proof of vaccination status prior to boarding an airplane to the United States.
- On March 10, 2022, the TSA announced the extension of the federal mask mandate in the aviation and across transportation hubs and public transportation through April 18, 2022. The mandate required anyone over the age of two to wear a mask while on airport property and on aircraft.
- On April 13, 2022, the TSA announced an extension of the Security Directives and Emergency Amendment requiring mask use on public transportation and transportation hubs for 15 days through May 3, 2022.
- On April 18, 2022, the TSA announced that following a court ruling and effective immediately the TSA would not enforce its face mask requirement for public transportation, in airports and on airplanes. As a result, masks are no longer required at the Airport. TSA's withdrawal of its directive does not preclude a transportation operator from imposing its own face mask requirements.

Airport Operations

The Airport continued to see an increase in passenger traffic and airport operations, with a 30.2% increase in total passengers and a 9.3% increase in total aircraft operations, respectively, for the six months ended June 30, 2022, as compared to the same period in 2021. As of June 30, 2022, the Airport had 112 gates leased by Signatory Airlines, and 14 gates available on a per-use basis. Additionally, for the six months ended June 30, 2022, originating and destination (O&D) passenger traffic as a percentage of overall traffic increased to 59.2% compared to 57.7% for the same period in 2021. Connecting traffic as a percentage of overall traffic decreased to 40.8% in the first six months of 2022 compared to 42.3% in the first six months of 2021. Under Presidential Proclamations issued in 2020, air service to the United States was prohibited from certain international locations and for certain foreign nationals. Effective on November 8, 2021, the United States President issued a new Presidential Proclamation, which ended the travel restrictions previously in place, and announced the United States would follow global vaccination requirement for all adult foreign national travelers. In the first six months of 2022, international passengers increased 110.5%, amounting to 4.7% of total passengers in 2022 and 2.9% of total passengers in 2021. Total cargo, in tons, increased 6.9% in first six months of 2022 compared to the same period in 2021.

As of June 30, 2022, the Airport continued passenger traffic recovery and all concessions were open to serve customers. The Airport reopened some parking operations as a result of the increase in O&D passengers. East and west economy parking lots and all garage parking are currently in operation. One of two shuttle lots, Pikes Peak, reopened in the fourth quarter of 2021. The Airport's second shuttle lot, Mt. Elbert, is available as an overflow shuttle lot if Pikes Peak would fill, and valet operations remain temporarily closed.

Stimulus Funds

CARES Act

On March 27, 2020, the United States executed the Coronavirus Aid, Relief and Economic Security (CARES) Act stimulus package. Under the CARES Act, the Federal Aviation Administration (FAA) awarded funds to airports based on enplanements and other metrics related to cash reserves and debt service. Funding received through the CARES Act is intended to prevent, prepare for, and respond to the impacts of COVID-19. On April 28, 2020, The City, for and on behalf of the Airport, executed the CARES Act Grant with the FAA and was eligible to receive a total of $269.1 million in CARES Act Funding (CARES Act Funds). The Airport determined to use the CARES Act Funds as a reimbursement of debt service payments. During 2020, the Airport received $262.7 million in CARES Act Funds with the remaining amount, $6.4 million, received in early 2021. On September 8, 2020, the City, for and on behalf of the Airport, executed a CARES Act Irrevocably Committed Escrow Agreement (CARES Act Irrevocable Escrow) to restrict all the reimbursed CARES Act Funds for application to future senior and/or subordinate debt service payments and deposited the full reimbursed CARES Act Funds into the CARES Act Irrevocable Escrow. Approximately $130.0 million and $139.1 million of the CARES Act Irrevocable Escrow were used for senior and/or subordinate debt service payments during 2020 and 2021, respectively. As of December 31, 2021, all of the CARES Act Irrevocable Escrow was expended.

CRRSA Act

On December 27, 2020, the United States executed the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act. Under the CRRSA Act, the FAA awarded funds to airports based on calendar year 2019 enplanements. Funding received through the CRRSA Act is intended to prevent, prepare for, and respond to the impacts of COVID-19. These funds may be used for costs related to operations, personnel, cleaning sanitization, janitorial services, combating the spread of pathogens at the Airport, and debt service payments, including reimbursement of debt service. The CRRSA Act includes relief from rent and minimum annual guarantees (MAG) for eligible airport concessions. Under the CRRSA Act, the FAA provides funding through the Airport Coronavirus Relief Grant Program (ACRGP).

On March 25, 2021, the City for and on behalf of the Airport, executed an ACRGP grant with the FAA and was eligible to receive a total of $48.6 million (ACRGP Grant). The Airport determined to use the ACRGP Grant funds as a reimbursement of debt service payments and has been reimbursed the full $48.6 million. As of December 31, 2021, approximately $48.6 million was reimbursed by the FAA and recognized as non-operating revenue. On October 1, 2021, the City, for and on behalf of the Airport, executed the CRRSA Act Irrevocably Committed Escrow Agreement (CRRSA Act Irrevocable Escrow) to restrict all of the reimbursed ACRGP Grant funds (i.e. $48.6 million) for application to future senior and/or subordinate debt service payments and deposited the full amount of the reimbursed ACRGP Grant into the CRRSA Act Irrevocable Escrow. As of June 30, 2022, and December 31, 2021, the Airport has not used any of the $48.6 million CRSSA Act Irrevocable Escrow to pay senior and/or subordinate debt service payments.

On March 31, 2021, the City, for and on behalf of the Airport, executed an ACRGP Concessions Relief Addendum with the FAA and was eligible to receive a total of $7.2 million (ACRGP Concession Grant). The ACRGP Concessions Grant may be used to provide credit relief to eligible concessions based on criteria established by the FAA. A portion of these funds, up to two percent, may be used to reimburse the Airport for administrative costs. In April 2021, the Airport granted $7.1 million in credit relief to eligible concessions under this ACRGP Concession Grant.

ARPA

On March 11, 2021, the United States executed the American Rescue Plan Act of 2021 (ARPA), which included $8.0 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to COVID-19. Under ARPA, primary commercial service airports share nearly $6.5 billion in a similar way to how airports currently receive Airport Improvement Program (AIP) entitlement funds. Also, shared funds are available for airports to provide relief from rent and minimum annual guarantees to eligible airport concessions. The Airport received an award totaling $204.3 million of general grant funding, as well as an additional $28.8 million reserved for concessionaire relief (together known as ARPA Funds). The ARPA general grant funding may be used to fund costs related to operations, personnel, cleaning, sanitation, janitorial services, combating spread of pathogens at the Airport, and debt service payments, including reimbursement of debt service payments. Airport management determined to use the $204.3 million in the general grant funding of ARPA Funds as a reimbursement of debt service payments. As of June 30, 2022, and December 31, 2021, the Airport had been reimbursed $195.2 million and recognized as non-operating revenue in the fourth quarter of 2021. In July 2022, the Airport received the remaining $9.1 million. On April 22, 2022, the City, for and on behalf of the Airport, executed ARPA Act Irrevocably Committed Escrow Agreement (ARPA Act Irrevocable Escrow) to restrict all the reimbursed general grant funding under ARPA Funds solely for future application to senior and/or subordinate debt service payments and deposited the full amount of the general grant funding under the ARPA Funds into the ARPA Act Irrevocable Escrow. As of June 30, 2022, the $204.3 million in ARPA Act Irrevocable Escrow remained available for future debt service.

COVID-19 Relief Policies

2021 Rent Relief Policy

Issued in November 2020 and effective in January 2021, the Airport implemented relief policies (2021 COVID-19 Relief Policies) for revenue contracts providing payment deferrals and certain fee waivers. For the signatory airlines, participants were required to maintain payment compliance through the policy term and were required to pay 75% of their fixed and variable rate billings as outlined in the Use and Lease Agreements for 2021. The remaining 25% of these billings must be paid over the next five years in equal annual installments starting in 2022 and any outstanding balance is charged interest at the U.S. Treasury Note rate set at 1.63% as of February 1, 2022. As of December 31, 2021, fifteen signatory airlines were under the 2021 COVID-19 Relief Policy. As of June 30, 2022, and December 31, 2021, approximately $44.9 million and $92.9 million, respectively of payments were deferred with the signatory airlines. For the concessionaires, the minimum annual guarantees, contractually due on a monthly basis, were waived for the year 2021 and were charged only for the contractual percentage of the concessionaires' gross sales. For rental car companies, the minimum annual guarantees, contractually due on a monthly basis, were waived for the year 2021 and were charged the contractually percentage of their gross sales. Rental car companies were provided a three-month payment deferral of the ground and facility billings for January, February, and March 2021. Deferred ground and facility payments were due by December 31, 2021 and were collected.

2020 Rent Relief Policy

In March 2020, the Airport implemented relief policies (2020 COVID-19 Relief Policy) for revenue contracts providing payment deferrals and some fee waivers. For the airlines, the Airport provided an option for a three-month payment deferral of all April, May, and June 2020 billings, but required these deferrals to be paid in full by December 31, 2020. All deferred payments from the airlines were received by December 31, 2020. For the concessionaires, the minimum annual guarantees, contractually due on a monthly basis, were waived for March through December 2020. The concessionaires were charged only for the contractual percentage of the concessionaire's gross sales during March through December 2020. For rental car companies, the minimum annual guarantees, contractually due on a monthly basis, were waived for April through December 2020. The car rental companies were charged the contractually percentage of their gross sales during April through December 2020, and provided a three-month payment deferral of the ground and facility April, May, and June 2020 billings. Deferred ground and facility payments were due by December 31, 2020 and were collected.

Bankruptcy Filings

On May 22, 2020, The Hertz Corporation (which includes Hertz Car Rental, Dollar Car Rental and Thrifty Car Rental) filed a Voluntary Petition with the United States Bankruptcy Court under Chapter 11 of the Bankruptcy Code. On June 10, 2021, the United States Bankruptcy Court confirmed the Chapter 11 Plan of Reorganization of The Hertz Corporation. The Hertz Corporation Chapter 11 Plan of Reorganization became effective on June 30, 2021. There was no impact to the Airport and all lease agreements between the City and The Hertz Corporation were assumed.

On May 27, 2020, Advantage Holdco, Inc. (which includes Advantage Rent a Car and E-Z Rent-A-Car) filed a Voluntary Petition with the United States Bankruptcy Court under Chapter 11 of the Bankruptcy Code. In July 2020, the ground and facility and concession agreements between the City and Advantage Holdco, Inc. subsidiaries were acquired by Sixt Rent A Car, LLC.

On June 30, 2020, Aerovias de Mexico, S.A. de C.V. (Aeromexico) filed a voluntary Petition with the United States Bankruptcy Court under Chapter 11 of the Bankruptcy Code.

Financial Impacts

The Airport proactively implemented several cost saving measures in 2020 intended to mitigate operational and financial impacts of COVID-19. Non-essential contract services were deferred, and service level reductions were implemented where appropriate. The Airport also instituted a hiring freeze along with furlough hours for all employees, reassigned available employees to other operating areas of the Airport and limited the number of personnel physically present at the Airport based on essential operating needs. During 2021, some of the cost saving measures were lifted which included the hiring freeze, eliminated furlough hours and increase in contractual services as passenger traffic continued to increase.

Other Matters

Infrastructure Investment and Jobs Act

On November 5, 2021, Congress passed H.R.3684 – Infrastructure Investment and Jobs Act and on November 13, 2021, the President executed the $1.0 trillion Bipartisan Infrastructure Bill (BIL). Under BIL, airports were allocated $25.0 billion over the next five years. The allocation was split into three components: $15.0 billion for Airport Infrastructure Grant (AIG) Program, $5.0 billion for Airport Terminal Program (ATP), and $5.0 billion for FAA infrastructure assets. The AIG is formula-based funding allocated based on passenger traffic. The ATP portion is discretionarily awarded by the FAA. The Airport anticipates funding from the Airport Infrastructure Program and ATP. The Airport submitted applications for the fiscal year 2022 ATP available funding. The Airport was approved for $60.0 million of fiscal year 2022 ATP funding for improvements to the baggage handling system and awarded $46.7 million under the AIG.

CEO Nomination

Phillip A. Washington, the CEO of the Airport, has been nominated by President Joe Biden as the next Federal Aviation Administration administrator.

Overview of the Financial Statements

The Airport's financial statements consist of its statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and notes to the financial statements. The statements of net position present information on the Airport's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. The statements of revenues, expenses, and changes in net position present information showing how the Airport's net position changed during the year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Governmental Accounting Standards Board (GASB) issued Statement No 87, *Leases* (GASB 87) and Statement No. 93, *Replacement of Interbank Offered Rates* (GASB 93) effective for fiscal years beginning after June 15, 2021.These quarterly financial statements do not reflect the implementation of GASB 87 and GASB 93. The Airport is currently evaluating the impact of these pronouncements on its financial statements.

Operating Statistics

Airport operating revenues are primarily driven by airline operations and passenger traffic. The operating statistics section provides information about these figures, as well as the change from the prior period. These statistics significantly drive and support the financial results of the Airport, as discussed in the following pages. All statistics are obtained from airline reporting, as required in the use and lease agreements, and totals shown are inclusive of all regional and affiliate partners. The following tables and charts are for the six months ended June 30:

Summary of Operating Statistics
for the six months ended
June 30, 2022, 2021, and 2020

	2022	2021	2020	2022 / 2021 change	2022 / 2021 % change
Passengers (in thousands)	32,171	24,701	15,914	7,470	30.2%
Enplanements (in thousands)	16,104	12,361	7,960	3,743	30.3%
Landed weight (in millions lbs)	18,432	15,772	12,100	2,660	16.9%
Aircraft operations (in thousands)	294	269	210	25	9.3%
Cargo (in thousand tons)	171	160	155	11	6.9%

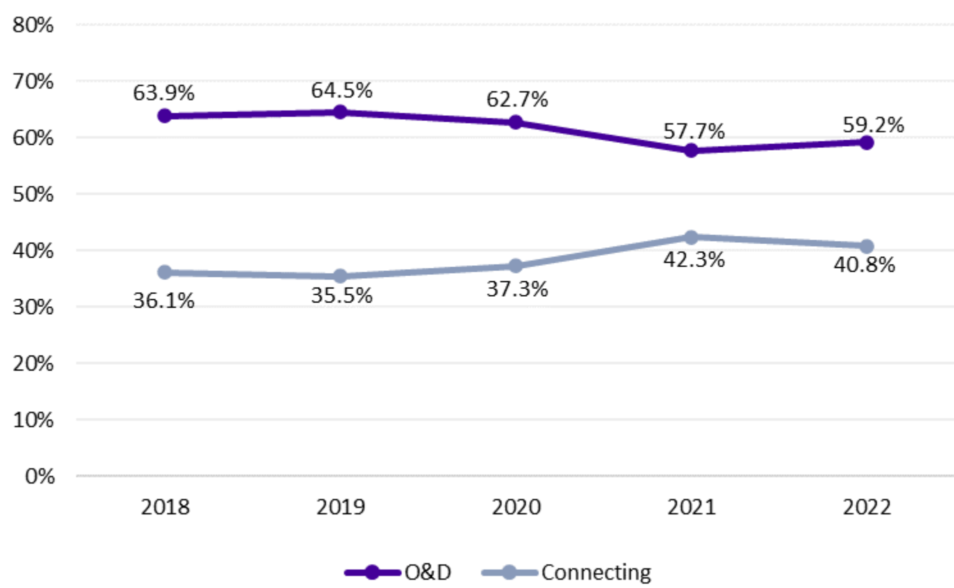
Year to Date Enplanements
for the six months ended
June 30, 2022, 2021, and 2020
(in thousands)

Airline	2022	2021	2020	2022 / 2021 change	2022/2021 % change
United	7,597	5,268	3,534	2,329	44.2%
Southwest	4,868	4,024	2,360	844	21.0%
Frontier	1,470	1,477	909	(7)	(0.5%)
Delta	804	545	390	259	47.5%
American	654	639	394	15	2.3%
Other	711	408	373	303	74.3%
Total	16,104	12,361	7,960	3,743	30.3%

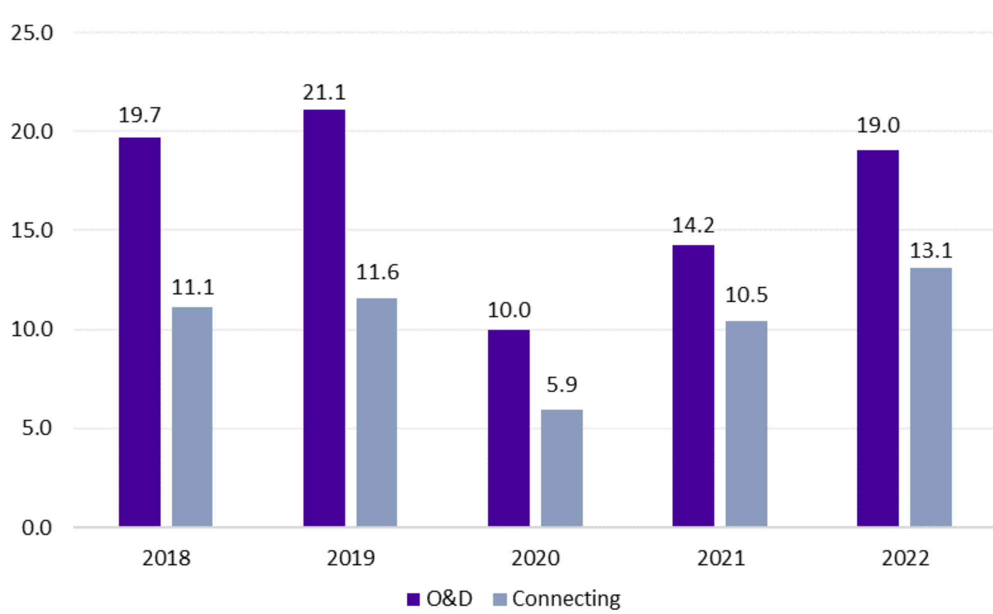
Year to Date Total Passengers
for the six months ended
June 30, 2022, and 2021
(in thousands)

	2022		2021		2022 / 2021	
Airline	Total passenger	% O&D	Total passenger	% O&D	Change in passenger	% change
United	15,170	43.5%	10,508	38.9%	4,662	44.4%
Southwest	9,719	61.8%	8,024	60.8%	1,695	21.1%
Frontier	2,936	75.5%	2,948	71.0%	(12)	(0.4%)
Delta	1,608	100.0%	1,102	100.0%	506	45.9%
American	1,320	100.0%	1,295	100.0%	25	1.9%
Other	1,418	91.5%	824	95.8%	594	72.1%
Total	32,171	59.2%	24,701	57.7%	7,470	30.2%

Originating and Destination (O&D) vs. Connecting Passengers by Percentage for the six months ended June 30



Originating and Destination (O&D) vs. Connecting Passengers by Passenger Count for the six months ended June 30 (in millions)



United Group

United Group (United) includes the operations of United Airlines, as well as regional affiliate airlines operating under the United Express brand. United is one of the world's largest airlines and is the principal air carrier operating at the Airport. United operates a major connecting hub at the Airport under a Use and Lease Agreement with the City that expires in 2035. United currently leases 57 full-service contact gates on Concourse B and 15 ground loading positions on Concourses A and B. On February 14, 2020, United agreed to lease additional gates and, upon completion of the Concourse A and Concourse B gate expansions, will have 90 combined full-service contact gates and ground loading positions across these concourses. At the Airport, United accounted for 47.2% of total passengers in the first six months of 2022. On November 20, 2020, the Airport opened four new gates, all leased by United, on the west side of Concourse B as part of the Gate Expansion project.

Southwest Airlines

Southwest Airlines (Southwest) maintains the second largest market share at the Airport. Southwest began service at the Airport in January 2006, and since that time has experienced strong and continued growth. The Airport is now the airline's busiest station in its system, in terms of total scheduled flights. In May 2022, the Airport opened 16 new gates at the east end of Concourse C and is in the process of transitioning all new gates to Southwest. Southwest currently occupies 33 full-service gates on Concourse C and has agreed to lease a total of 40 full-service gates. The Airport anticipates delivering the remaining gates to Southwest by the second quarter of 2024. At the Airport, Southwest accounted for 30.2% of total passengers in the first six months of 2022.

Frontier Airlines

Frontier Airlines (Frontier) maintains the third largest market share at the Airport, which is Frontier's only hub and the busiest airport in the Frontier system. Frontier is an ultra-low-cost carrier and currently leases nine full-service contact gates on Concourse A. Frontier accounted for 9.1% of total passengers in the first six months of 2022. In May 2022, a new Use and Lease agreement was entered into with Frontier. Under the Use and Lease agreement, Frontier will lease a total of 14 mainline ground load gates along with new hold-rooms and modifications to existing hold-rooms, collectively known as the New GLF. Upon completion of the New GLF, the Use and Lease agreements terms will be for 10 years.

Summary of Revenues, Expenses, and Changes in Net Position

The following is a summary of the revenues, expenses, and changes in net position for the six months ended June 30, 2022, 2021 and 2020 ($ in thousands):

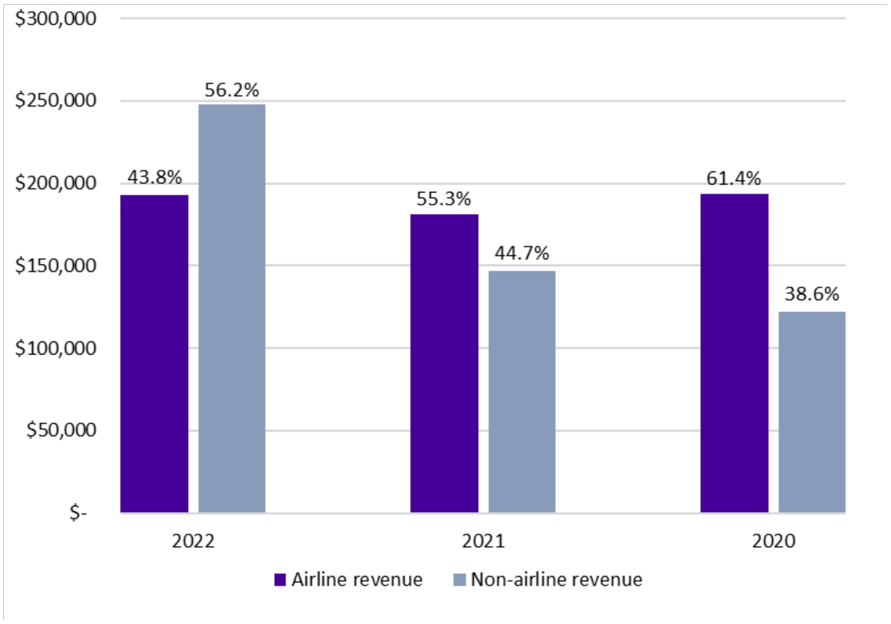
	2022	2021	2020	2022 / 2021 $ change	2022 / 2021 % change
Operating revenue	$ 440,810	$ 327,792	$ 315,381	$ 113,018	34.5%
Less: operating expenses	242,710	208,328	223,580	34,382	16.5%
Operating income before depreciation and amortization	198,100	119,464	91,801	78,636	65.8%
Less: depreciation and amortization	116,194	106,452	102,548	9,742	9.2%
Operating income (loss)	81,906	13,012	(10,747)	68,894	529.5%
Add: nonoperating revenues	102,442	123,909	204,647	(21,467)	(17.3%)
Less: nonoperating expenses	107,045	117,914	125,711	(10,869)	(9.2%)
Add: capital grants and contributions	11,787	1,831	1,647	9,956	543.7%
Increase (decrease) in net position	89,090	20,838	69,836	68,252	327.5%
Net position, beginning of year	1,572,016	1,407,188	1,308,145	164,828	11.7%
Net position, end of period	$ 1,661,106	$ 1,428,026	$ 1,377,981	233,080	16.3%

Summary of Operating Revenues

The following is a summary of operating revenues for the six months ended June 30, 2022, 2021 and 2020 ($ in thousands):

	2022	2021	2020	2022 / 2021 $ change	2022 / 2021 % change
Operating revenue:					
Airline revenue					
Facility rentals	$ 120,050	$ 108,062	$ 134,325	$ 11,988	11.1%
Landing fees	73,128	73,213	59,305	(85)	(0.1%)
Total airline revenue	193,178	181,275	193,630	11,903	6.6%
Non-airline revenue					
Parking	93,397	58,553	47,986	34,844	59.5%
Car rental	43,233	30,852	22,874	12,381	40.1%
Concession	48,767	23,890	22,797	24,877	104.1%
Hotel	31,341	16,904	15,116	14,437	85.4%
Aviation fuel tax	17,386	6,836	4,895	10,550	154.3%
Ground transportation	8,893	5,298	4,990	3,595	67.9%
Other sales and charges	4,615	4,184	3,093	431	10.3%
Total non-airline revenue	247,632	146,517	121,751	101,115	69.0%
Total operating revenue	$ 440,810	$ 327,792	$ 315,381	$ 113,018	34.5%

Total Operating Revenues for six months ended June 30, 2022, 2021, and 2020 (% of total)



Total Operating Revenues for the six months ended June 30, 2022, 2021, and 2020 (% of total)

	2022	2021	2020
Airline revenue			
Facility rentals	27.2%	33.0%	42.6%
Landing fees	16.6%	22.3%	18.8%
Total airline revenue	43.8%	55.3%	61.4%
Non-airline revenue			
Parking	21.3%	17.8%	15.1%
Concession	11.1%	7.3%	7.2%
Car Rental	9.8%	9.4%	7.3%
Hotel	7.1%	5.2%	4.8%
Aviation fuel tax	3.9%	2.1%	1.6%
Ground transportation	2.0%	1.6%	1.6%
Other sales and charges	1.0%	1.3%	1.0%
Total non-airline revenue	56.2%	44.7%	38.6%

2022/2021

Total airline revenues at the Airport were $193.2 million, an increase of $11.9 million, or 6.6%, for the six months ended June 30, 2022, as compared to the same period in 2021.

Facility rental revenue increased by $12.0 million, or 11.1%, primarily due to an increase in budgeted signatory terminal complex rental costs, which is offset by an increase in the estimated airline revenue credit for fiscal year 2022.

Landing fee revenue decreased by $0.1 million, or 0.1%, primarily due to a reduction in the budgeted signatory landing fee rate for 2022 compared to 2021, which was offset by a 16.9% increase in landed weight.

Total non-airline revenues at the Airport were $247.6 million, an increase of $101.1 million, or 69.0%, for the six months ended June 30, 2022, as compared to the same period in 2021. The increase was primarily due to a 30.2% increase in overall passengers.

Parking revenue increased by $34.8 million, or 59.5%, primarily due to a 59.8% increase in transaction volume resulting from increased O&D passenger traffic.

Car rental revenue increased by $12.4 million, or 40.1%, primarily due to an increase in reported total gross monthly revenues by the car rental companies, which is driven by the 33.7% increase in O&D passenger traffic. Additionally, there was an increase in ground and facility rental rates in 2022 and an increase in car sharing operations. Also contributing to these increases were $2.7 million in ACRGP Concessions Grant credited issued in the first six months 2021 to qualifying car rental companies. No additional rent relief credits were issued in the first six-months of 2022.

Concession revenue increased by $24.9 million, or 104.1%, primarily due to an increase in the monthly gross revenue reported by concessionaires of approximately 45.2%, as a result of the 30.2% increase in enplaned passengers. In addition, the COVID-19 Relief Policy for 2021 expired at the end of 2021, which resulted in reinstatement of the minimum annual guarantees. Finally, in the second quarter of 2021, $4.3 million in ACRGP Concessions Grant credits were issued to qualifying concessionaires. No additional rent relief credits issued in the first six-months of 2022.

Hotel revenue increased by $14.4 million, or 85.4%, primarily due to an increase in hotel guest room occupancy from 65.6% to 83.2%. The average daily rate for the period also increased by 37.2%, which resulted in an overall increase in total rooms revenue of 74.1%. Hotel food and beverage revenue increased 172.9%, primarily due to the gradual return of large group banquet events, coupled with increased restaurant traffic as result of higher room occupancy.

Aviation fuel tax revenue increased by $10.6 million, or 154.3%, primarily due to an increase in fuel prices and an increase of 40.4% in gallons sold as a result of increased airline operations. Fuel tax revenues are comprised of both excise and sales tax collections. The Airport receives $0.02 per gallon from excise tax collections, and 65% of the 2.9% sales tax collections.

Ground transportation revenue increased by $3.6 million, or 67.9%, primarily due to a 78.0% increase in transportation network company (TNC) trips compared to the same period in 2021. Additionally, off-site parking revenue increased $0.8 million, approximately 48.6%.

Other sales and charges revenue increased by $0.4 million, or 10.3%, due to changes in various operational revenue sources.

2021/2020

Total airline revenues at the Airport were $181.3 million, a decrease of $12.4 million, or 6.4%, for the six months ended June 30, 2021, as compared to the same period in 2020.

Facility rental revenue decreased by $26.3 million, or 19.6%, due to the anticipation of an airline revenue credit of $19.2 million for 2021, as none was anticipated for 2020. Also contributing to the decrease is a reduction in the budgeted signatory terminal complex rental rate of 7.8%.

Landing fee revenue increased by $13.9 million, or 23.5%, due to an increase in operations. The increase was partially offset by a 4.7% reduction in the budgeted signatory landing fee.

Total non-airline revenues at the Airport were $153.6 million, an increase of $31.8 million, or 26.1%, for the six months ended June 30, 2021, as compared to the same period in 2020. The increase was primarily due to a 55.2% increase in overall passengers.

Parking revenue increased by $10.6 million, or 22.0%, primarily due to a 42.7% increase in O&D passenger traffic. This coupled with an increase in the number of parking transactions, resulted in the overall growth of public parking revenue.

Concession revenue increased by $1.1 million, or 4.8%, due to a 55.3% increase in enplaned passengers. Offsetting this increase was $4.3 million provided in credit relief provided to eligible concessions under the ACRGP Concessions Grant. With the implementation of the COVID-19 Relief Policies for 2020 and 2021, concession revenue consisted mostly of the contractual percentage of the concessionaires' gross sales.

Car rental revenue increased by $8.0 million, or 34.9%, compared to June 30, 2020. Contributing to the increase was growth in total gross monthly receipts, increase in ground rent rate, and the addition of car sharing operations. Offsetting this increase was $2.7 million provided in credit relief provided to eligible concessions under the ACRPG Concessions Grant. With the implementation of the COVID-19 Relief Policies for 2020 and 2021, car rental revenue primarily includes contractual percentage of gross monthly receipts, as well as ground and facility rents.

Hotel revenue increased by $1.8 million, or 11.8%, primarily due to an increase in hotel guest room occupancy from 48.0% to 65.6% as the industry starts to recover from the impact of COVID-19. The average daily rate decreased in the first six months of 2021 compared to the same period in 2020 due to the stronger pre-pandemic performance in the first quarter of 2021 and due to some of the food and beverage operations being open with limited capacity in adherence with State and Local COVID-19 ordinances. However, the average daily rate indicated a much stronger performance in the second quarter of 2021 compared to the first quarter of 2021.

Aviation fuel tax revenue increased by $1.9 million, or 39.7% compared to June 30, 2020, primarily due to an increase in gallons sold as a result of increased airline operations. Fuel tax revenues are comprised of both excise and sales tax collections. The Airport receives $0.02 per gallon from excise tax collections, and 65% of the 2.9% sales tax collections.

Ground transportation revenue increased by $0.3 million, or 6.2% compared to June 30, 2020, primarily due to a $0.4 million increase in off-site parking revenue.

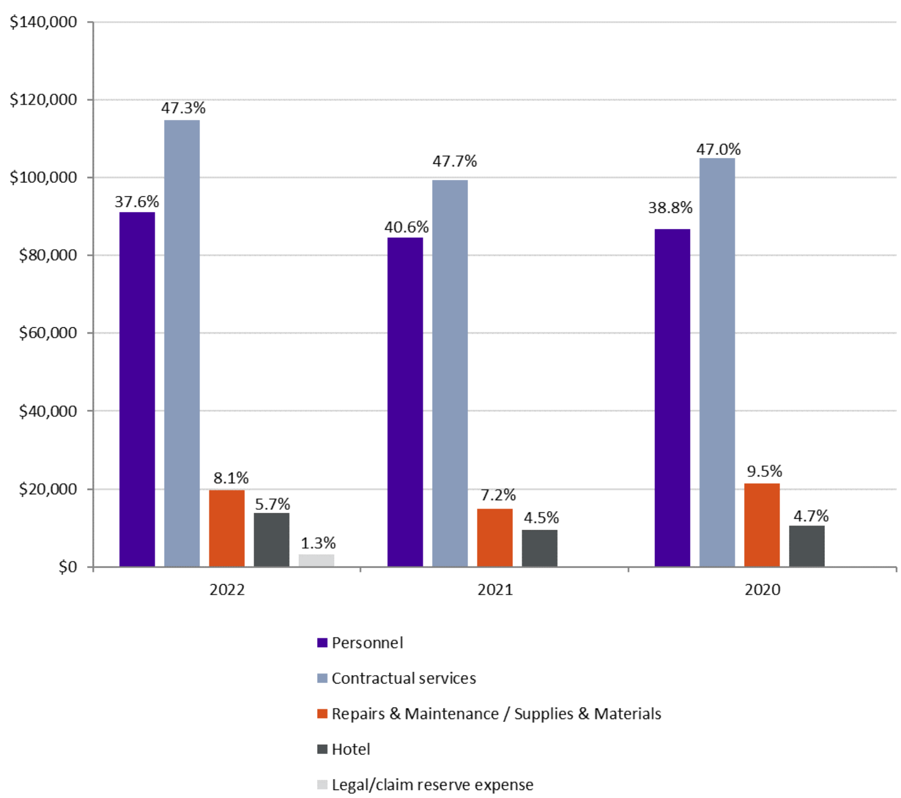
Other sales and charges revenue increased by $1.1 million, or 35.3%, due to changes in various operational revenue sources.

Summary of Operating Expenses

The following is a summary of operating expenses before depreciation and amortization for the six months ended June 30, 2022, 2021 and 2020 ($ in thousands):

	2022	2021	2020	2022 / 2021 $ change	2022 / 2021 % change
Personnel	$ 91,181	$ 84,502	$ 86,779	$ 6,679	7.9%
Contractual services	114,874	99,435	104,983	15,439	15.5%
Repair and maintenance projects	9,119	6,120	10,933	2,999	49.0%
Maintenance, supplies, and materials	10,491	8,875	10,410	1,616	18.2%
Hotel	13,870	9,396	10,475	4,474	47.6%
Legal/claim reserve expense	3,175	-	-	3,175	100.0%
Total operating expenses	$ 242,710	$ 208,328	$ 223,580	$ 34,382	16.5%

Total Operating Expenses before Depreciation and Amortization for the six months ended June 30, 2022, 2021, and 2020 (% of total)



2022/2021

Operating expenses, exclusive of depreciation and amortization, were $242.7 million for the six months ended June 33, 2022, an increase of $34.4 million, or 16.5%, as compared to the same period in 2021. In 2020, the Airport implemented several cost saving measures as a result of COVID-19 including a hiring freeze, reductions in contractual services and suspension of nonessential procurements and contracts which carried forward into 2021. In mid to late 2021, the Airport lifted the hiring freeze, increased the use of contractual services, and purchased additional supplies to support continued passenger growth.

> Personnel costs increased $6.7 million, or 7.9%, primarily due to a 3.0% merit increase effective January 1, 2022, coupled with a 1% increase in employer contributions to the Denver Employees' Retirement Plan (DERP). The position vacancy rate for these periods also decreased by approximately 3.2%.
>
> Contractual services increased by $15.4 million, or 15.5%, primarily due to increases in services associated with continued passenger growth. Some of the operating services levels reduced during 2020 were carried forwarded into 2021. Additionally, a new janitorial contract was effective in March 2021 which incorporated additional service costs.
>
> Repair and maintenance expenses increased by $3.0 million, or 49.0%, due to more non-capitalizable project expenditures identified during the year.
>
> Maintenance, supplies, and materials increased $1.6 million, or 18.2%, primarily due to continued passenger growth resulting in increased janitorial supplies and fuel costs. Additionally, there was an increase in use of snow removal chemicals and materials as a result of a heavier snow season.
>
> Hotel expenses increased by $4.5 million, or 47.6%, due to increased operating activities required to service higher occupancy and additional food and beverage business. Hotel guest room occupancy increased from 65.6% to 83.2% and food and beverage revenue increased 172.9%, indicating an increase in personnel required to service hotel rooms and food and beverage patrons.
>
> Legal/claim reserve expense increased by $3.2 million, or 100.0%. For additional information, see notes 15 (c) to the financial statements.

2021/2020

Operating expenses, exclusive of depreciation and amortization, were $208.3 million for the six months ended June 30, 2021, a decrease of $15.3 million, or 6.8%, as compared to the same period in 2020. The Airport implemented several cost saving measures as a result of COVID-19 including a hiring freeze, reductions in contractual services and suspension of nonessential procurements and contracts. During the second quarter of 2021, the Airport began filling some vacant positions, increasing the use of contractual services, and purchasing additional supplies to support the 55.2% increase in total passengers as compared to June 30, 2020.

> Personnel costs decreased $2.3 million, or 2.6%, primarily due to vacancy rates resulting from a hiring freeze.

Contractual services decreased by $5.5 million, or 5.3%, primarily due to service level reductions and cost savings measures attributed to deferral of -reduction in services as part of Airport wide cost savings measures.

Repair and maintenance expenses decreased by $4.8 million, or 44.0%, due to fewer non-capitalizable project expenditures during the first six months of 2021.

Maintenance, supplies, and materials decreased $1.5 million, or 14.7% primarily due to the cost saving measures.

Hotel expenses decreased by $1.1 million, or 10.3%, for the six months ended June 30, 2021 compared to the same period in 2020. The decrease, attributable to COVID-19, is primarily driven by reduced food and beverage activity and operational changes resulting in cost savings.

Nonoperating Revenues and Expenses, Capital Grants and Capital Contributions

The following is a summary of net nonoperating revenues for the six months ended June 30, 2022, 2021, and 2020 ($ in thousands):

	2022	2021	2020	$ change	% change
Nonoperating revenues (expenses):					
Passenger facility charges	$ 67,445	$ 54,854	$ 30,565	$ 12,591	23.0%
Customer facility charges	8,190	6,623	4,903	$ 1,567	23.7%
Investment (loss) income	24,159	26,457	38,510	$ (2,298)	(8.7%)
Interest expense	(106,086)	(111,982)	(124,916)	$ 5,896	(5.3%)
Stimulus funds	-	34,843	129,760	$ (34,843)	(100.0%)
Other revenues (expenses), net	1,689	(4,800)	114	6,489	(135.2%)
Total net nonoperating revenues (expenses)	$ (4,603)	$ 5,995	$ 78,936	$ (10,598)	(176.8%)

2022/2021

Total nonoperating revenues decreased by $21.5 million, or 17.3%, during for the six months ended June 30, 2022, as compared to the same period in 2021. The decrease is attributable to a reduction in stimulus funds earned in 2022 compared to 2021, as well as a reduction in investment income due to the use of cash to fund the 2018-2022 Capital Program and lower investment returns. Offsetting this decrease were increases in Passenger Facility Charges (PFC) and Customer Facility Charges (CFC). PFC revenue increased 23.0%, primarily due to a 30.3% increase in enplaned passengers. CFC revenue increased 23.7%, due to a 23.2% increase in number of car rental transaction days, resulting from a 33.7% increase in O&D passenger traffic.

Total nonoperating expenses decreased $10.9 million, or 9.2%, for the six months ended June 30, 2022, as compared to the same period in 2021. The decrease is primarily due to a decrease in interest expense associated with Airport's overall debt portfolio.

In 2022 and 2021, capital grants totaled $11.8 million and $1.8 million, respectively. These are FAA Airport Improvement Program (AIP) funds for the airfield and some equipment replacement.

2021/2020

Total nonoperating revenues decreased by $87.8 million, or 42.9%, during the six months ended June 30, 2021 as compared to the same period in 2020, due to decreases in Stimulus Fund revenues and investment income. For the first six months of 2021 and 2020, the Stimulus Funds represent $27.8 million for CRRSA and $129.8 million for CARES, respectively. Offsetting the decrease were increases in Passenger Facility Charges (PFC) and Customer Facility Charges (CFC). The increase in PFC revenue is the result of increases in passenger traffic. With the increase in O&D passengers, the number of transactions days were increased as well, which resulted in the increase in CFC revenue.

Total nonoperating expenses decreased $7.8 million, or 6.2%, during the six months ended June 30, 2021 as compared to the same period in 2020. The decrease is primarily due to a $12.9 million, or 10.4%, decrease in interest expense associated with Airport's overall debt portfolio.

In 2021 and 2020, capital grants totaled $1.8 million and $1.6, respectively. These are FAA AIP funds for the airfield and some equipment replacement.

Summary of Net Position

The following is a summary of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2022, 2021, and 2020 ($ in thousands):

	2022	2021	2020	2022/ 20201 $ change	2022 / 2021 % change
Assets:					
Current assets, unrestricted[1]	$ 450,098	$ 508,162	$ 249,197	$ (58,064)	(11.4%)
Current assets, restricted	472,466	463,443	503,411	9,023	1.9%
Noncurrent investments, unrestricted	874,589	954,429	752,600	(79,840)	(8.4%)
Noncurrent investments, restricted	982,255	982,175	1,479,310	80	0.0%
Long-term receivables	70,656	107,651	31,152	(36,995)	(34.4%)
Capital assets, net	5,792,106	5,567,215	4,838,360	224,891	4.0%
Bond insurance costs, net	80	91	114	(11)	(12.1%)
Interest rate swaps	1,193	2,916	4,773	(1,723)	(59.1%)
Total assets	8,643,443	8,586,082	7,858,917	57,361	0.7%
Deferred outflows of resources	85,194	91,570	108,924	(6,376)	(7.0%)
Liabilities:					
Current liabilities, unrestricted	266,420	298,226	196,162	(31,806)	(10.7%)
Current liabilities, restricted	1,067,440	1,051,154	298,415	16,286	1.5%
Bonds payable, noncurrent	5,398,969	5,418,728	5,729,750	(19,759)	(0.4%)
Interest rate payable swaps, noncurrent	4,261	9,902	20,112	(5,641)	(57.0%)
Compensated absences payable, noncurrent	9,617	9,617	9,573	-	0.0%
Net pension liability	187,776	187,776	199,878	-	0.0%
Net OPEB liability	23,470	23,470	21,616	-	0.0%
Claim litigation reserves	83,649	80,474	74,513	3,175	3.9%
Total liabilities	7,041,602	7,079,347	6,550,019	(37,745)	(0.5%)
Deferred inflows of resources	25,929	26,289	10,634	(360)	(1.4%)
Net position (deficit)					
Net investment in capital assets (deficit)	(223,812)	(136,825)	(104,547)	(86,987)	63.6%
Restricted	716,953	385,941	655,032	331,012	85.8%
Unrestricted	1,167,965	1,322,900	856,703	(154,935)	(11.7%)
Total net position	$ 1,661,106	$ 1,572,016	$ 1,407,188	$ 89,090	5.7%

[1] Accounts receivable net of allowance for doubtful accounts of $2,758, $2,763, and $2,726, respectively.

2022/2021

Total assets were $8.6 billion as of June 30, 2022, an increase of $57.4 million, or 0.7%, compared to December 31, 2021. The main contribution to the increase was an increase of $224.9 million, or 4.0%, in net capital assets, primarily due to additions to construction in progress related to the 2018-2022 Capital Program. Offsetting this increase was a net decrease in total cash and investments of $109.3 million, or 4.0%, due to spending associated with the 2018-2022 Capital Program. In addition, the increase was offset by a decrease of $37.0 million, or 34.4%, in long-term receivables, and a decrease of $21.5 million, or 76.2%, in other receivables.

Total deferred outflows of resources decreased by $6.4 million, or 7.0% due to the amortization of deferred losses on bond refundings and the change in fair value of derivative instruments.

Total liabilities were $7.0 billion as of June 30, 2022, a decrease of $37.7 million, or 0.5%, compared to December 31, 2021. The main contribution to the decrease was a decrease of $21.4 million, or 15.3%, in vouchers payable primarily due to fewer outstanding capital project transactions. Also, contributing to the decrease was a reduction of $19.8 million, or 5.9%, in net unamortized premium due to the current year amortization, and a reduction of $19.3 million, or 53.7%, in amounts due to other city agencies attributable to the timing of payments for city services. Additional decreases included a $5.8 million, or 16.3%, reduction in advanced rent, and $5.6 million, or 57%, reduction in the fair value of the airports derivative instrument liability. The decrease was mainly offset by an increase in revenue credit payable of approximately $25.0 million, along with an increase in retainage payable of $9.5 million, or 10.2%, due to expenditures associated with the 2018-2022 Capital Program, and an increase of $1.9 million, or 7.5%, in accrued interest and matured coupons due to the timing of interest payments.

Total deferred inflows of resources decreased by $0.4 million, or 1.4%, due to the amortization of deferred gain on bond refundings.

As of June 30, 2022, total net position is $1.7 billion, of which 43.2% is restricted for future debt service and capital construction. The total net position restricted for future debt service is $698.1 million. This includes bond reserve account, bonds accounts, and both the CRRSA Act Irrevocable Escrow and ARPA Act Irrevocable Escrow accounts. The bond reserve account and bond accounts represent $844.3 million and are restricted for debt service. Effective on July 14, 2021, the Minimum Bond Reserve requirement for the senior lien was adjusted. See note 9 to the financial statements for additional information. The net position restricted for capital projects represent $18.9 million.

As of June 30, 2022, the remaining net position consist of unrestricted balance of $1.2 billion and a deficit net investment in capital assets of ($223.8) million. Unrestricted net position may be used to meet any of the Airport's ongoing operational needs, as such, management of the Airport has internally designated $65.8 million of its unrestricted net position amount, as allowed in the 1984 Airport System General Bond Ordinance as supplemented and amended, to help meet debt coverage requirements. The deficit in net investment in capital assets results because the outstanding debt exceeds the net book value of the capital assets financed by the related debt.

2021/2020

Total assets were $8.6 billion as of December 31, 2021, an increase of $727.2 million, or 9.3%, compared to December 31, 2020. The main contribution to the increase was an increase of $728.9 million, or 15.1%, in net capital assets, primarily due to additions to construction in progress related to the 2018-2022 Capital Program. Also contributing to the increase is an increase of $76.5 million, or 245.6%, in long-term receivables and an increase of $18.9 million, or 48.5%, in accounts receivable, mostly due to payment deferrals for the signatory airline carriers from the 2021 COVID-19 Relief Policies. In addition to these increases, there were increases in grant receivables of $11.4 million, or 57.0%, and other receivables of $21.1 million, or 299.3%. The increase in other receivables relates to realizable insurance recovery of $21.3 million related to water damage incurred in Concourse B East gate expansion. Offsetting these increases was a net decrease in total cash and investments of $129.5 million, or 4.5% due to spending associated with the 2018-2022 Capital Program as well as long-term payment deferrals resulting from the 2021 COVID-19 relief policies.

Total deferred outflows of resources decreased by $17.4 million, or 15.9% primarily due to GASB Statement No. 68, *Pensions* (GASB 68) changes in proportionate shares, as well as due to the amortization of deferred losses on bond refundings and the change in fair value of hedging activities. Offsetting the decrease was an increase in GASB Statement No. 75, *Postemployment Benefits Other Than Pensions* (GASB 75) due to change in proportionate share and changes in assumptions for net OPEB liability.

Total liabilities were $7.1 billion as of December 31, 2021, an increase of $529.3 million, or 8.1%, compared to December 31, 2020. The main contribution to the increase was an increase of $724.9 million, or 361.4%, in current maturities of revenue bonds due to the issuance of the Tax-Exempt Interim Note Subordinate Obligations (2021 Interim Note), approximately $700.0 million, to assist in funding the 2018-2022 Capital Program. Additional increases included a $34.1 million, or 57.9%, increase in retainage payable due to expenditures associated with the 2018-2022 Capital Program, a $28.9 million, or 412.3%, increase in due to other city agencies attributable to the timing of payments for city services, and an increase of $29.5 million, or 27.2%, in unrestricted vouchers payable. The increase was mainly offset by a $311.0 million, or 5.4%, decrease in noncurrent bonds payable due to the full redemption of 1992C Bonds and normal redemption of revenue bond maturities and a $10.2 million, or 50.8%, reduction in the fair value of the airports derivative instrument liability.

Total deferred inflows of resources increased by $15.7 million, or 147.2%, due to changes in proportionate shares required under GASB 68 and GASB 75. This increase was offset by the amortization of deferred gain on bond refundings.

As of December 31, 2021, total net position is $1.6 billion, of which 24.6% is restricted for future debt service and capital construction. The total net position restricted for future debt service is $371.2 million. This includes the bond reserve account, bonds accounts, and the CRRSA Act Irrevocable Escrow account. The bond reserve account and bond accounts represent $522.0 million and are restricted for debt service. Effective on July 14, 2021, the Minimum Bond Reserve requirement for the senior lien was adjusted. See note 9 to the financial statements for additional information. In October 2021, the amount deposited in the CRRSA Act Irrevocable Escrow account was $48.6 million and was funded by reimbursement of debt service from CRRSA Acts. As of December 31, 2021, the remaining unused portion of the CRRSA Act Irrevocable Escrow account is $48.6 million. On April 22, 2022, the City, for and on behalf of the Airport, executed ARPA Act Irrevocable Escrow. On April 29, 2022, the City, for and on behalf of the Airport, deposited the full $204.3 million into the ARPA Act Irrevocable Escrow. The net position restricted for capital projects represent $14.7 million.

As of December 31, 2021, the remaining net position consist of unrestricted balance of $1.3 billion and a deficit net investment in capital assets of ($136.8) million. Unrestricted net position may be used to meet any of the Airport's ongoing operational needs, as such, management of the Airport has internally designated $65.8 million of its unrestricted net position amount, as allowed in the 1984 Airport System General Bond Ordinance as supplemented and amended, to help meet debt coverage requirements. Also, the Airport has internally designated $195.2 million, which represents the debt service reimbursed under the ARPA Act funds. The ARPA Act debt service reimbursements will be used to fund the ARPA Act Irrevocable Escrow. The deficit in net investment in capital assets results because the outstanding debt exceeds the net book value of the capital assets financed by the related debt.

Long-Term Debt

As of June 30, 2022, the Airport had approximately $6.0 billion in outstanding senior and subordinate bonded debt, bearing fixed and variable interest rates. The total annual debt service (principal and interest) was approximately $493.8 million in 2021. Estimated annual debt service for 2022 will be approximately $1,163.3 million, which includes the outstanding amount, $700.0 million, of the 2021 Interim Note which was scheduled to mature on June 30, 2022. On June 10, 2022, the maturity date for the 2021 Interim Note with Bank of America, N.A. was extended from June 30, 2022, to August 31, 2022. Funds from the CRRSA Act Irrevocable Escrow and ARPA Act Irrevocable Escrow are expected to assist in funding for 2022 debt service.

On June 17, 2022, Moody's upgraded the Airport's senior and subordinate lien debt from A1 to Aa3 and A2 to A1, respectively, with a stable outlook. As of June 30, 2022, the Airport's senior lien debt was rated by Standard & Poor's (S&P) at A+ with positive outlook, by Moody's at Aa3 with stable outlook, and by Fitch at AA- with stable outlook. As of June 30, 2022, the Airport's subordinate lien debt is rated by S&P at A with positive outlook, by Moody's at A1 with stable outlook, and by Fitch at A+ with stable outlook.

The Airport's governing bond ordinances (the bond ordinance) require that the Airport's net revenues plus other available funds, as defined in the bond ordinance, be sufficient to provide debt service coverage of 125% of the annual debt service requirement on senior bonds and 110% of the aggregate annual debt service requirements on senior and subordinate bonds, and junior liens. The debt service coverage ratio on all bonds for the years ended December 31, 2021 and 2020 were 210% and 151% of total debt service, respectively.

On July 19, 2022, the Airport issued Airport System Revenue Bonds Series 2022A (AMT) Bonds (Series 2022A) and Airport System Revenue Bonds Series 2022B (non-AMT) Bonds (Series 2022B) in the aggregate principal amounts of $1.5 billion and $175.6 million, respectively. The proceeds of the Series 2022A and Series 2022B Bonds were used to redeem and pay the 2021 Interim Note, to pay a portion of the costs of the Airport's 2018 – 2022 Capital Program, to make deposits to the Bond Reserve Fund and Capitalized Interest Subaccount, and to pay costs of issuance for Series 2022A and Series 2022B Bonds. Both series were issued at premium, bear interest at various fixed interest rates, and are subject to redemption prior to maturity.

On December 17, 2021, the City, for and on behalf of its Department of Aviation, issued private activity Airport System Subordinate Revenue Bonds, Series 2021C (Series 2021C Bonds) and issued a Note Purchase Agreement (2021 Interim Note) in the amounts of $26.2 million and $700.0 million, respectively. The proceeds from the issuance of the 2021 Interim Note are to assist in funding the 2018-2022 Capital Program and were used to pay for issuance cost. The maturity date of the 2021 Interim Note is June 30, 2022. The 2021 Interim Note bears interest at a variable rate due at maturity. The Series 2021C Bonds were issued at a fixed interest rate for the purposes of current refunding Series 2011A Bonds maturing on November 15, 2021. The Series 2021C Bonds mature on November 15, 2022.

On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively. With the execution of this Bond Purchase and Exchange Agreement there were no longer any outstanding Airport System Revenue Bonds issued prior to August 1, 2000. This adjusted the calculation of the Minimum Bond Reserve as defined within the General Bond Ordinance and reduced the Minimum Bond Reserve amount as it applies to the senior lien airport system revenue bonds. The City, for and on behalf of the Airport, filed a Voluntary Notice (see https://emma.msrb.org/P21480842-P21148170-P21561857.pdf).

On April 19, 2021, the City, for and on behalf of the Airport, issued a Notice of Full Prior Redemption of the Airport System Revenue Bonds, Series 1992C (LOI 1998/1999 bond). On May 20, 2021, the City, for and on behalf of the Airport, fully redeemed all the outstanding principal amount of $40.1 million, plus accrued interest.

Capital Assets

As of June 30, 2022, and December 31, 2021, the Airport had $5.8 billion and $5.6 billion, respectively, in total capital assets, net of accumulated depreciation. The net accumulated depreciation is approximately $4.1 billion in 2022 and $4.0 billion in 2021. For more information about the Airport's capital assets, see note 5 to the financial statements.

2018-2022 Capital Program

The Airport developed a capital program for the years 2018 through 2022 (2018-2022 Capital Program). The projects included in the 2018-2022 Capital Program are periodically evaluated by the Airport with respect to their timing, costs, availability of funding, Airport cash position, any environmental issues that may arise and other factors that might affect the implementation of the 2018-2022 Capital Program. Accordingly, projects currently included in the 2018-2022 Capital Program, their timing and costs are subject to change and are reflected below.

The 2018-2022 Capital Program identifies capital projects with a total cost of approximately $4.3 billion in the following areas of the Airport:

	in billions
Concourse A, B, C	$ 2.8
Jeppesen Terminal	1.0
Airside	0.3
Landside	0.2
TOTAL	**$ 4.3**

Concourse A, B, C:

Major projects include the concourse gate expansion, as well as renewal of existing facilities including but not limited to hold-room, signage and wayfinding upgrades, remodeling of the public restrooms, ramp replacement, and the conveyance replacement program. This includes the design and construction of new gates and associated apron, airfield, and roadway improvements on Concourse A, B and C, as well as increase the amount of airline and concessions space on each concourse. It is the Airport's current expectation that most of the additional gates and space will be revenue-producing in the near and longer term due to current airline demand. On November 20, 2020, the Airport completed four new gates on the west side of Concourse B, leased by United, as part of the Gate Expansion project. In May 2022, the Airport completed 16 new gates and 20 hold-rooms among other improvements on the east side of Concourse C. All 16 new gates are leased by Southwest and became operational. Also included in gate expansion is expansion of and modifications to the ground loading facilities on Concourse A (New GLF).

Jeppesen Terminal:

Major projects include the Great Hall project, baggage system upgrades, additional AGTS train sets and the AGTS car replacement program. Major projects in connection with the baggage handling system improvements consist of the development of two new checked bag resolution areas that will replace the nine existing locations; installation of new conventional baggage conveyors and individual carrier system to move bags identified for additional screening between the screening areas to the new checked bag resolution areas; modifications to the run out belts and equipment in the airline use area of level 6 and associated rights of way to accommodate upgrades; and replacement and update of baggage handling system controls, automatic tag readers, and baggage handling reporting systems to meet the latest TSA requirements. The Great Hall project includes renovations to Jeppesen Terminal designed to, among other things, enhance security of the passengers and the Airport, improve passenger flow and increase and improve concessions areas.

After termination of the Development Agreement with Great Hall Developers, who were granted an exclusive right for the renovation and reconfiguration of a portion of the Great Hall Project, the Airport projects that the design and construction costs of the Great Hall Project remain at the original budgeted amount of $770 million which includes $120 million of contingency costs. This budgeted amount includes a portion of the termination payment that represents project value costs that were originally part of the construction budget. In order to meet the original construction budget, the Airport is working to reduce the scope of the Great Hall Project without compromising the original project goals to enhance security of passengers and the Airport, improve passenger flow and increase and improve concessions areas. The construction costs are anticipated to be funded with proceeds of the Series 2018 Subordinate Bonds, amounts on deposit in the Capital Fund, and future bond issuances.

In early 2020, the procurement process was completed, and the construction of the Great Hall Project resumed in the first quarter of 2020. Upon completion of the Great Hall Project, the City, for and on behalf of the Airport, expects to operate any commercial development in the Jeppesen Terminal and retain 100 percent of the revenues generated. In October 2021, the Great Hall Project completed construction of the initial phase, which consisted generally of renovations to the central Great Hall area for new airline ticketing operations, self-bag drop-units, renovated restrooms and new commercial spaces. In July 2021, construction began on the second phase of improvements to the Great Hall. These improvements consist of a new security checkpoint, widened balcony for more capacity and space at the new checkpoint, a new triple escalator from the security check to the train platform to access the AGTS system. For additional information about the Great Hall Development Agreement termination see note 20 to the financial statements.

On November 19, 2021, the City, for and on behalf of the Airport, issued a Voluntary Notice related to the Great Hall Project Status Update. This disclosure is available at https://emma.msrb.org/P21516492-P21172857-P21588899.pdf.

Airside:

Major projects include rehabilitation of certain runways, taxiways, and apron areas as part of the Airport's pavement management system; improvements to airfield drainage, safety areas, and airfield service roads; rehabilitation and installation of lighting; certain safety area upgrades and airfield planning studies. Airside projects are partly funded through the Federal Aviation Administration's Airport Improvement Program.

Landside:

Major projects include the east bound Peña Boulevard reconstruction, realignment and various sections of roadway as well as annual pavement rehabilitation to replace deteriorating concrete. In December 2021, the first phase of eastbound Peña Boulevard was completed and operational. In addition, this includes the replacement of the revenue control system, which will improve parking services.

DEN Real Estate:

The Airport revised its land development plan which reduced the Airport's infrastructure investment requirement.

Vision 100 - 2023-2027 CIP

The Airport developed a capital improvement program for the years 2023-2027 (Vision 10 - 2023-2027 CIP). The projects included in the Vision 100 – 2023-2027 CIP are periodically evaluated by the Airport with respect to their timing, costs, availability of funding, Airport cash position, any environmental issues that may arise and other factors that might affect the implementation of the Vision 100 – 2023-2027 CIP.

The Vision 100 - 2023-2027 CIP identifies capital projects with a total cost of approximately $2.9 billion in the following areas of the Airport:

	in billions
Jeppesen Terminal	$ 1.6
Airside	0.6
Concourse Projects	0.5
Landside	0.2
TOTAL	**$ 2.9**

Jeppesen Terminal:

Included in Jeppesen Terminal is the Great Hall completion phase. The completion phase consists of a full buildout of improvements to the Jeppesen Terminal and includes a new security checkpoint with enhanced technology, relocation of certain existing checkpoints, the addition of new screening lanes, new modern and spacious ticketing spaces, new concession area, renovations to restrooms, flooring, lighting, elevators/escalators and other critical infrastructure, and added leisure spaces for travelers. In addition, the completion phase includes the development of a new Center of Equity and Excellence in Aviation (CEEA). CEEA will engage, educate, empower, motivate, and provide opportunities for under-represented students and young people who are interested and passionate about careers in aviation. Major projects in connection with the baggage handling system is to modernize the existing facilities and equipment as well as other improvements, along with upgrades to the screening system. The modernization project will replace transport conveyors, power turns, merges, high-speed diverters, motors and gearboxes, and automatic tag readers. Other improvements include replacing both domestic and international inbound/claim system. Also, the improvements include the replacement of existing conveyors located at the curbside.

Airside:

Major projects include rehabilitation and construction of certain runways, taxiways, and apron areas as part of the Airport's pavement management system; improvements to airfield drainage, deicing modernization and expansion, safety areas, and airfield service roads; rehabilitation and installation of lighting; certain safety area upgrades and airfield planning studies.

Concourse:

Major projects include the remodeling of the public restrooms throughout the concourses, the conveyance replacement and passenger loading bridge programs, and replacement of 15 AGTS cars.

Landside:

Major projects include reconstruction, realignment, and widening of various sections of Peña Boulevard both east and west bound and associated roadways as well as the replacement of deteriorating concrete. In addition, this includes rehabilitation of all six surface parking lot locations. Also included is the plug and abandonment of all the existing oil and gas drilling wells and tank batteries and removal of all flowlines.

Passenger Facility Charges (PFCs)

In 1992, the PFC program authorized the imposition of a fee of $3.00 per enplaned passenger and the use of this funding for approved projects, with certain qualifying airports permitted to charge a maximum PFC of $4.50. In 2000, the Federal Aviation Administration (FAA) approved the Airport's application for an increase in the PFC fee from $3.00 to $4.50, the revenues from which are to be used for qualified costs of the Airport, including associated debt service and approved capital projects. The Airport increased the PFC rate from $3.00 to $4.50 effective April 1, 2001.

As of December 31, 2021, a total of $2.4 billion has been remitted to the Airport (including interest earned), of which $103.9 million has been expended on approved projects. $2.4 billion has been used to pay debt service on the Airport's general airport revenue bonds, and $10.3 million is unexpended. The Airport's authorization to impose the PFC expires on the earlier of February 1, 2029, or upon collection of the authorized maximum PFC total of $3.2 billion. On May 2, 2019, the FAA approved through Final Agency Decision the City's application to impose additional PFC collections at the Airport. As a result of the decision, the PFC rate will remain the same, at $4.50, but the authorized maximum PFC collection total increased by $244.4 million to $3.5 billion through February 1, 2029. The decision is to fund already approved capital projects. On August 5, 2021, the FAA issued an Acknowledgement Letter regarding the City's application on notice of intent to impose PFC collections at the Airport. As a result of the Acknowledgement Letter, the PFC rate will remain the same, at $4.50, but authorized maximum PFC collection total increased by $136.7 million to $3.6 billion. The collection will begin on October 1, 2030, and will complete on October 1, 2031.

Customer Facility Charges (CFCs)

Effective January 1, 2014, the Airport imposed a CFC of $2.15 per Rental Car Transaction Day. The CFC is imposed pursuant to the provisions of Chapter 5 and Sections 5-15 and 5-16 of the Revised Municipal Code of the City and County of Denver. The CFC shall be established through a cost recovery methodology based on the estimated costs associated with the management of, improvements to, and expansion of the existing rental car facility area and related transportation facilities and the planning and design of future phases of the rental car program.

Request for Information

This financial report is designed to provide a general overview of the Airport's finances for all those with an interest. Questions concerning any of the information presented in this report or requests for additional information should be addressed to the Finance Department, Denver International Airport, Airport Office Building, 8th Floor, 8500 Pena Boulevard, Denver, CO 80249-6340.

2022 QUARTERLY FINANCIAL REPORT
FINANCIAL STATEMENTS (UNAUDITED)

Statements of Net Position (Unaudited)

June 30, 2022 and December 31, 2021 ($ in thousands)

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	$ 52,931	$ 57,688
Investments	282,784	308,599
Accounts receivable,		
net of allowance of $2,758 and $2,763, respectively	60,859	57,816
Due from other City agencies	535	807
Accrued interest receivable	2,045	6,693
Grants receivable	28,208	31,299
Customer facility charges receivable	2,073	1,539
Other receivables	6,720	28,241
Inventories	8,983	9,182
Prepaid expenses and other	4,960	6,298
Total current unrestricted assets	450,098	508,162
Restricted assets:		
Cash and cash equivalents	114,802	113,758
Investments	317,596	317,570
Accrued interest receivable	1,580	3,256
Prepaid expenses and other	18,888	14,692
Passenger facility charges receivable	19,600	14,167
Total current restricted assets	472,466	463,443
Total current assets	922,564	971,605
Noncurrent assets:		
Investments - unrestricted	874,589	954,429
Long-term receivables, net of current portion in other receivables	70,656	107,651
Capital assets (non-depreciable):		
Art	7,376	7,376
Capacity rights	12,400	12,400
Construction in progress	2,055,914	1,747,240
Land, land rights and air rights	295,766	295,766
Capital assets (depreciable):		
Buildings and Improvements	6,335,735	6,309,971
Machinery and equipment	1,158,809	1,154,318
Less: accumulated depreciation and amortization	4,073,894	3,959,856
Total capital assets	5,792,106	5,567,215
Prepaid bond insurance	80	91
Interest rate swaps	1,193	2,916
Investments - restricted	982,255	982,175
Total noncurrent assets	7,720,879	7,614,477
Total assets	8,643,443	8,586,082
Deferred outflows of resources	85,194	91,570
Total assets and deferred outflows	$8,728,637	$8,677,652

See accompanying notes to financial statements

Statements of Net Position (Unaudited)

June 30, 2022 and December 31, 2021 ($ in thousands)

	2022	2021
Liabilities		
Current liabilities:		
Unrestricted:		
Vouchers payable	$ 111,738	$ 137,991
Due to other city agencies	16,601	35,879
Compensated absences payable	2,255	2,255
Other liabilities	41,239	46,735
Revenue credit payable	65,000	40,000
Advance rent	29,587	35,366
Total current unrestricted liabilities	266,420	298,226
Restricted:		
Vouchers payable	6,565	1,696
Retainages payable	102,474	92,949
Accrued interest and matured coupons	26,726	24,861
Other liabilities	6,205	6,178
Revenue bonds	925,470	925,470
Total current restricted liabilities	1,067,440	1,051,154
Total current liabilities	1,333,860	1,349,380
Noncurrent liabilities:		
Bonds payable:		
Revenue bonds, net of current portion	5,083,180	5,083,180
Plus: net unamortized premiums	315,789	335,548
Total bonds payable, noncurrent	5,398,969	5,418,728
Interest rate swaps	4,261	9,902
Compensated absences payable	9,617	9,617
Net pension liability	187,776	187,776
Net OPEB liability	23,470	23,470
Claim litigation reserves	83,649	80,474
Total noncurrent liabilities	5,707,742	5,729,967
Total liabilities	7,041,602	7,079,347
Deferred inflows of resources	25,929	26,289
Net Position		
Net deficit in capital assets	(223,812)	(136,825)
Restricted for:		
Capital projects	18,888	14,692
Debt service	698,065	371,249
Unrestricted	1,167,965	1,322,900
Total net position	1,661,106	1,572,016
Total liabilities, deferred inflows and net position	$ 8,728,637	$ 8,677,652

See accompanying notes to financial statements

Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)

For the Three Months Ended June 30, 2022 and 2021 ($ in thousands)

	2022	2021	$ Change	% Change
Operating revenues:				
Facility rentals	$ 60,935	$ 55,220	$ 5,715	10.3%
Landing fees	38,120	41,245	(3,125)	(7.6%)
Parking	52,245	37,538	14,707	39.2%
Car rental	21,203	15,620	5,583	35.7%
Concession	25,178	12,327	12,851	104.3%
Hotel	16,858	10,287	6,571	63.9%
Aviation fuel tax	10,328	3,979	6,349	159.6%
Ground transportation	5,385	3,261	2,124	65.1%
Other sales and charges	2,713	2,528	185	7.3%
Total operating revenues	232,965	182,005	50,960	28.0%
Operating expenses:				
Personnel	44,273	39,736	4,537	11.4%
Contractual services	58,854	50,468	8,386	16.6%
Repair and maintenance projects	8,971	4,049	4,922	121.6%
Maintenance, supplies and materials	3,961	3,830	131	3.4%
Hotel	6,643	5,001	1,642	32.8%
Legal/claim reserve expense	1,605	-	1,605	100.0%
Total operating expenses	124,307	103,084	21,223	20.6%
Operating income, before depreciation and amortization	108,658	78,921	29,737	37.7%
Less: Depreciation and amortization	58,556	53,920	4,636	8.6%
Operating income	50,102	25,001	25,101	100.4%
Nonoperating revenues (expenses):				
Passenger facility charges	34,855	35,513	(658)	(1.9%)
Customer facility charges	4,216	3,648	568	15.6%
Investment income	11,971	6,896	5,075	73.6%
Interest expense	(53,563)	(55,785)	2,222	(4.0%)
Stimulus funds	-	34,843	(34,843)	(100.0%)
Other (expenses) revenues, net	1,539	(4,400)	5,939	(135.0%)
Total net nonoperating revenue (expenses)	(982)	20,715	(21,697)	(104.7%)
Change in net position before capital grants and contributions	49,120	45,716	3,404	7.4%
Capital grants and contributions	9,625	1,660	7,965	479.8%
Change in net position	58,745	47,376	11,369	24.0%
Net position, beginning of period, as previously reported	1,602,361	1,380,650	221,711	16.1%
Net position, as of June 30	$ 1,661,106	$ 1,428,026	$ 233,080	16.3%

See accompanying notes to financial statements

Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)

For the Six Months Ended June 30, 2022 and 2021 ($ in thousands)

	2022	2021	$ Change	% Change
Operating revenues:				
Facility rentals	$ 120,050	$ 108,062	$ 11,988	11.1%
Landing fees	73,128	73,213	(85)	(0.1%)
Parking	93,397	58,553	34,844	59.5%
Concession	48,767	23,890	24,877	104.1%
Car rental	43,233	30,852	12,381	40.1%
Hotel	31,341	16,904	14,437	85.4%
Aviation fuel tax	17,386	6,836	10,550	154.3%
Ground transportation	8,893	5,298	3,595	67.9%
Other sales and charges	4,615	4,184	431	10.3%
Total operating revenues	440,810	327,792	113,018	34.5%
Operating expenses:				
Personnel	91,181	84,502	6,679	7.9%
Contractual services	114,874	99,435	15,439	15.5%
Repair and maintenance projects	9,119	6,120	2,999	49.0%
Maintenance, supplies and materials	10,491	8,875	1,616	18.2%
Hotel	13,870	9,396	4,474	47.6%
Legal/claim reserve expense	3,175	-	3,175	100.0%
Total operating expenses	242,710	208,328	34,382	16.5%
Operating income, before depreciation and amortization	198,100	119,464	78,636	65.8%
Less: Depreciation and amortization	116,194	106,452	9,742	9.2%
Operating income	81,906	13,012	68,894	529.5%
Nonoperating revenues (expenses):				
Passenger facility charges	67,445	54,854	12,591	23.0%
Customer facility charges	8,190	6,623	1,567	23.7%
Investment income	24,159	26,457	(2,298)	(8.7%)
Interest expense	(106,086)	(111,982)	5,896	(5.3%)
Stimulus funds	-	34,843	(34,843)	(100.0%)
Other expenses, net	1,689	(4,800)	6,489	(135.2%)
Total net nonoperating revenue (expenses)	(4,603)	5,995	(10,598)	(176.8%)
Change in net position before capital grants and contributions	77,303	19,007	58,296	306.7%
Capital grants and contributions	11,787	1,831	9,956	543.7%
Change in net position	89,090	20,838	68,252	327.5%
Net position, beginning of year	1,572,016	1,407,188	164,828	11.7%
Net position, end of period	$ 1,661,106	$ 1,428,026	$ 233,080	16.3%

See accompanying notes to financial statements

Statements of Cash Flows (Unaudited)

For the Six Months Ended June 30, 2022 and 2021 ($ in thousands)

	2022	2021
Cash flows from operating activities:		
Receipts from customers	$ 494,657	$ 282,758
Payments to suppliers	(151,824)	(98,988)
Interfund activity payments to other funds	(10,728)	(11,430)
Payments to employees	(102,898)	(85,735)
Net cash provided by operating activities	229,207	86,605
Cash flows from capital and related financing activities:		
Principal paid on notes payable and capital leases	-	(1,112)
Principal paid on revenue bonds	-	(40,080)
Interest paid on revenue bonds	(117,803)	(126,475)
Interest paid on notes payable	-	(19)
Capital grant receipts	14,878	2,809
CARES Act grant receipts	-	6,402
Passenger facility charges	62,013	46,094
Customer facility charges	7,656	5,654
Purchases of capital assets	(355,353)	(434,854)
Proceeds from sale of capital assets	405	286
Net insurance claim (recovery) costs - capital asset	22,500	-
Net cash used in capital and related financing activities	(365,704)	(541,295)
Cash flows from investing activities:		
Purchases of investments	(644,320)	(415,668)
Proceeds from sales and maturities of investments	749,870	782,122
Interest and dividends on investments and cash equivalents	27,234	28,824
Net cash provided by investing activities	132,784	395,278
Net decrease in cash and cash equivalents	(3,713)	(59,412)
Cash and cash equivalents, beginning of year	171,446	209,392
Cash and cash equivalents, end of period	$ 167,733	$ 149,980

(continued)

Statements of Cash Flows (Unaudited)

For the Six Months Ended June 30, 2022 and 2021 ($ in thousands)

	2022	2021
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 81,906	$ 13,012
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	116,194	106,452
Changes in assets and liabilities:		
Receivables, net of allowance	34,354	(48,596)
Due from other city agencies	272	147
Inventories	199	511
Prepaid expenses and other	1,338	(2,485)
Vouchers and other payables	(2,706)	1,917
Deferred rent	(5,779)	(13,944)
Due to other city agencies	(19,278)	14,643
Claim litigation reserve	3,175	-
Other operating liabilities	19,532	14,948
Net cash provided by operating activities	$ 229,207	$ 86,605
Noncash activities:		
Unrealized gain on interest rate swaps	$ 3,377	$ 3,186
Amortization of bond premiums, deferred losses on bond refundings, and prepaid bond insurance	14,285	13,872
Capital assets in vouchers payable and retainage payable	93,627	106,483
Net gain on disposal of capital assets	-	10

See accompanying notes to financial statements

2022 QUARTERLY FINANCIAL REPORT
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

(1) Organization and Reporting Entity

(a) Nature of Operations

Pursuant to Article XX of the State of Colorado Constitution and the City and County of Denver, Colorado (the City) Charter, the City acquired, owns, operates, and maintains certain airport facilities. These facilities include Denver International Airport (the Airport) are referred to herein as the City and County of Denver Municipal Airport System (the Airport or Airport System). The Airport is operated as the Department of Aviation, with a Chief Executive Officer appointed by and reporting to the Mayor.

The Airport consists of a landside terminal building, hotel, transit center, three airside concourses, six runways, roadways, and ancillary facilities on a 53-square mile site. Stapleton was closed to all air traffic on February 27, 1995.

(b) Reporting Entity

The accompanying financial statements present only the Airport enterprise fund and are not intended to present fairly the financial position of the City, the changes in its financial position, or where applicable, its cash flows in conformity with accounting principles generally accepted in the United States of America (US GAAP).

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Airport is an enterprise fund of the City and, as such, is an integral part of the City. An enterprise fund is established to account for an activity that is financed with debt secured solely by a pledge of net revenues from fees and charges of the activity or when laws and regulations require that the activity's costs of providing services, including capital costs (such as depreciation or capital debt service), be recovered with fees and charges rather than with taxes or similar revenues. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accompanying financial statements were prepared in accordance with US GAAP. As an enterprise fund, the Airport uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as incurred (flow of economic resources measurement focus).

(b) Cash and Cash Equivalents

City investments attributed to the Airport that have original maturities of three months or less from the purchase date are classified as cash equivalents.

(c) Investments

Investments, which the City manages, are reported at fair value, which is primarily determined based on significant other observable inputs at December 31, 2021 and 2020. The Airport's investments are maintained in pools at the City and include municipal securities, commercial paper, corporate bonds, multi-national fixed income, structured products, U.S. Treasury securities, and U.S. Agency securities. The City and County of Denver investment policy can be viewed at https:// www.denvergov.org/content/dam/denvergov/Portals/344/documents/transparency/investments/Investment_Policy.pdf.

(d) Inventories

Inventories consist of materials and supplies valued at cost or net realizable value.

(e) Capital Assets

Capital assets are recorded at historical cost and consist of buildings, roadways, airfield improvements, machinery and equipment, infrastructure, intangibles, land, and land rights at the Airport. Donated capital assets are reported at their acquisition value as of the date of acquisition. Repairs and maintenance are expensed as incurred, unless they have the effect of improving or extending the life of an asset, in which case they are capitalized as part of the cost of the asset. Costs associated with ongoing construction activities of the Airport are included in construction in progress. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Depreciation is recorded using the straight-line method over the following estimated useful lives:

Buildings	20 - 40 years
Roadways	30 - 40 years
Runways/taxiways	30 - 40 years
Other improvements	15 - 40 years
Major system equipment	15 - 25 years
Vehicles and other equipment	5 - 10 years
Intangibles	3 - 5 years

(f) Prepaid Bond Insurance, Deferred Gains (Losses) on Bond Refunding, and Unamortized Premiums (Discounts)

Bond insurance premiums are recorded as assets and amortized over the life of the insurance policy using the effective interest method. Premiums (discounts) on bonds payable are recorded as liabilities or contra-liabilities and amortized over the life of bonds using the effective interest method. Unamortized premiums on bonds are recorded as an addition to the face amount of the bonds payable. Gains (losses) on bond refundings are deferred and amortized over the life of the old bonds, or the remaining life of the refunding bonds, whichever is shorter, using the effective interest rate method. Gains (losses) on bond refundings are recorded as deferred inflows or outflows of resources, respectively.

(g) Compensated Absences Payable

Accumulated vested sick and vacation benefits are recorded as an expense and a liability as benefits accrue to employees. The Airport uses the vesting method for estimating sick leave compensated absences payable.

(h) Advance Rent

Advance rent is recorded when rental payments are received by the Airport, for periods subsequent to the reporting period and prior to when the Airport has a legal right claim to the payments as revenue. Included in advance rent are customer credits and deposits.

(i) Pensions and Other Postemployment Benefits (OPEB)

For purposes of recording the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources relating to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Denver Employees' Retirement Plan (DERP) and additions to/reductions from DERP's fiduciary net position have been determined on the same basis as they are reported by DERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(j) Net Position

As of June 30, 2022

The Airport assets and deferred outflows exceeded liabilities and deferred inflows by $1.7 billion as of June 30, 2022, a $89.1 million, or 5.7%, increase in net position from December 31, 2021.

As of June 30, 2022, total net position is $1.7 billion, of which 43.2% is restricted for future debt service and capital construction. The total net position restricted for future debt service is $698.1 million. This includes bond reserve account, bonds accounts, and both the CRRSA Act Irrevocable Escrow and ARPA Act Irrevocable Escrow accounts. The bond reserve account and bond accounts represent $844.3 million and are restricted for debt service. Effective on July 14, 2021, the Minimum Bond Reserve requirement for the senior lien was adjusted. See note 9 to the financial statements for additional information. The net position restricted for capital projects represents $18.9 million.

As of June 30, 2022, the remaining net position consist of unrestricted balance of $1.2 billion and a deficit net investment in capital assets of ($223.8) million. Unrestricted net position may be used to meet any of the Airport's ongoing operational needs, as such, management of the Airport has internally designated $65.8 million of its unrestricted net position amount, as allowed in the 1984 Airport System General Bond Ordinance as supplemented and amended, to help meet debt coverage requirements. The deficit in net investment in capital assets results because the outstanding debt exceeds the net book value of the capital assets financed by the related debt.

As of December 31, 2021

As of December 31, 2021, total net position is $1.6 billion, of which 24.6% is restricted for future debt service and capital construction. The total net position restricted for future debt service is $371.2 million. This includes bond reserve account, bonds accounts, and the CRRSA Act Irrevocable Escrow Account. The bond reserve account and bond accounts represent $522.0 million and are restricted for debt service. Effective on July 14, 2021, the Minimum Bond Reserve requirement for the senior lien was adjusted. See note 9 to the financial statements for additional information. In October 2021, the amount deposited in the CRRSA Act Irrevocable Escrow account was $48.6 million and funded by reimbursement of debt service from CRRSA Acts. As of December 31, 2021, the remaining unused portion of the CRRSA Act Irrevocable Escrow account is $48.6 million. The net position restricted for capital projects represent $14.7 million.

As of December 31, 2021, the remaining net position consist of unrestricted balance of $1.3 billion and a deficit net investment in capital assets of ($136.8) million. Unrestricted net position may be used to meet any of the Airport's ongoing operational needs, as such, management of the Airport has internally designated $65.8 million of its unrestricted net position amount, as allowed in the 1984 Airport System General Bond Ordinance as supplemented and amended, to help meet debt coverage requirements. Also, the Airport has internally designated $195.2 million, which represents the debt service reimbursed under the ARPA Funds. The ARPA Funds reimbursed for debt service along with internal funds were used to fund the ARPA Act Irrevocable Escrow. The deficit in net investment in capital assets results because the outstanding debt exceeds the net book value of the capital assets financed by the related debt.

(k) Restricted and Unrestricted Resources

Uses of restricted and unrestricted resources are made on a case-by-case basis by management depending on overall requirements. Generally, management applies restricted resources and then unrestricted resources when both restricted and unrestricted resources are available to pay an expense.

(l) Operating Revenues and Expenses

The statements of revenues, expenses, and changes in net position distinguish operating revenues and expenses from nonoperating activity and capital contributions. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Airport's principal ongoing operations. The principal operating revenues of the Airport are charges to airline tenants for facility rentals, landing fees and parking. Operating expenses include the cost of providing services, administrative costs, and depreciation on capital assets.

(m) Nonoperating Revenues and Expenses

All revenues and expenses not meeting the above definition of operating revenues and expenses are reported as nonoperating revenues and expenses or capital contributions. Such items include Passenger Facility Charges (PFCs), Car Rental Customer Facility Fees (CFCs), interest expense, and investment income.

(n) Governmental Grants

The Airport periodically receives grant revenues from federal agencies which are either for capital projects or operating purposes. Revenue is considered earned as the related approved capital outlays or expenses are incurred by the Airport. Revenues from capital grants are reported as capital contributions on the statements of revenues, expenses, and changes in net position, and revenues from operating grants are reported as operating revenues.

(o) Rates and Charges

The Airport establishes annually, as adjusted semi-annually, airline facility rentals, landing fees, and other charges sufficient to recover the costs of operations (excluding certain debt service payments), maintenance, and debt service related to the airfield and the space rented by the airlines. Any differences between amounts collected from and actual costs allocated to the airlines' leased space are credited or billed to the airlines.

50% of Net Revenues (as defined by the bond ordinance) remaining at the end of the year (Airline Revenue Credit) are to be credited in the following year to the airline rates and charges. The annual estimated Airline Revenue Credit for 2022 and 2021 is $50.0 million and $40.0 million, respectively. As of June 30, 2022, and December 31, 2021, the Airline Revenue Credit liability balance is $65.0 million and $40.0 million, respectively, and is reported in the statements of net position as revenue credit payable.

(p) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

(q) Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2021 financial statement presentation. These reclassifications had no effect on the change in total net position.

(3) Interest Income

Investment income earned on the Airport System's pooled cash and investments is allocated to the participating Airport System's funds based upon the average investment balances of each fund. Investment income for June 30, 2022, and 2021, is comprised of interest income on investments of $24.1 million and $26.5 million, respectively. The decrease in interest income is primarily attributable to the use of cash to fund the capital projects.

(4) Accounts and Long-Term Receivables

(a) Allowance for Doubtful Accounts

Management of the Airport reviews accounts receivables periodically and an allowance for doubtful accounts has been established based upon management's assessment of the probability of collection. As of June 30, 2022 and December 31, 2021, an allowance of $2.8 million and $2.8 million, respectively, was established.

(b) Long-Term Receivables

Issued in November 2020 and effective in January 2021, the Airport implemented relief policies (2021 COVID-19 Relief Policies) for revenue contracts providing payment deferrals and certain fee waivers. For the signatory airlines, participants must maintain payment compliance through the policy term and for 2021 were required to pay 75% of their fixed and variable rate billings as defined in the Use and Lease Agreements. The remaining 25% of these billings must be paid over the next five years in equal annual installments starting in 2022 with each installment due by September 30th. The outstanding payment deferrals will be charged the U.S. Treasury Note rate is based on the 5-year Daily Treasury Par Yield Curve rate effective on February 1, 2022, which was 1.63%. This rate is fixed over the repayment term. As of June 30, 2022, the outstanding receivable are as follows ($ in thousands):

	Amount
Year:	
2022	$ 8,906
2023	8,941
2024	8,986
2025	9,032
2026	9,054
Total	$ 44,919
Less current portion	(8,906)
Long-term receivables	$ 36,013

The equal annual installments due for 2023-2026 are included in Long-term receivables, net of current portion in other receivables on the Statement of Net Position.

(c) Loan Receivable

Included in long-term receivable is approximately $4.8 million notes receivable related to solar panel installation and approximately $27.0 million loans due from two districts. The Districts are reimbursing the Airport for funding the construction and infrastructure of the rail station at 61st Boulevard and Pena Boulevard for infrastructure work around the Airport property. Each loan bears interest at 5.0% with interest compounded and due semiannually on June 1st and December 1st with principal due annually on December 1st. The outstanding loan balance plus any accrued and unpaid interest, included in the table below, will be repaid from ad valorem taxes. The loans are capped at $41.6 million. As of December 31, 2021, the projected future collections are as follows ($ in thousands):

	Amount
Year:	
2022	$ 149
2023	202
2024	248
2025	424
2026	705
2027-2031	6,366
2032-2036	9,316
2037-2041	11,021
2042-2046	12,168
2047	577
Total	$ 41,176

The installments due for 2023-2047 are included in Long-term receivables, net of current portion on the Statement of Net Position.

(5) Capital Assets

Changes in capital assets for the six months ended June 30, 2022 and December 31, 2021 were as follows ($ in thousands):

	2022				
	January 1, 2022	Additions	Transfers and reclassifications	Reductions	June 30, 2022
Non depreciable capital assets					
Art	$ 7,376	$ -	$ -	$ -	$ 7,376
Capacity rights	12,400	-	-	-	12,400
Construction in progress	1,747,240	344,939	(31,853)	(4,412)	2,055,914
Land, land rights, and air rights	295,766	-	-	-	295,766
Total non depreciable capital assets	2,062,782	344,939	(31,853)	(4,412)	2,371,456
Depreciable capital assets					
Buildings and improvements	4,865,468	-	1,341	-	4,866,809
Machinery and equipment	1,154,318	558	6,096	(2,163)	1,158,809
Infrastructure and land improvements	1,412,265	-	24,423	-	1,436,688
Intangibles	32,238	-	-	-	32,238
Total depreciable capital assets	7,464,289	558	31,860	(2,163)	7,494,544
Less accumulated depreciation					
Buildings and improvements	(2,370,432)	(88,442)	-	-	(2,458,874)
Machinery and equipment	(834,678)	(19,975)	(7)	2,163	(852,497)
Infrastructure and land improvements	(723,455)	(7,198)	-	-	(730,653)
Intangibles	(31,291)	(579)	-	-	(31,870)
Total accumulated depreciation	(3,959,856)	(116,194)	(7)	2,163	(4,073,894)
Total depreciable capital assets, net	3,504,433	(115,636)	31,853	-	3,420,650
Total capital assets	$ 5,567,215	$ 229,303	$ -	$ (4,412)	$ 5,792,106

In December 2021, water damage occurred to the Concourse B-East expansion project, which caused an asset impairment of approximately $24.1 million, which was recognized in 2021. As of December 31, 2021, approximately $21.4 million, net of $0.2 million deductible, of the loss was estimated to be recoverable through insurance proceeds, and as of June 30, 2022, $22.5 million was received. On July 31, 2022, $8.0 million in additional funds were received.

	2021				
	January 1, 2021	Additions	Transfers and reclassifications	Reductions	December 31, 2021
Non depreciable capital assets					
Art	$ 7,376	$ -	$ -	$ -	$ 7,376
Capacity rights	12,400	-	-	-	12,400
Construction in progress	1,393,010	992,141	(606,712)	(31,199)	1,747,240
Land, land rights, and air rights	295,766	-	-	-	295,766
Total non depreciable capital assets	1,708,552	992,141	(606,712)	(31,199)	2,062,782
Depreciable capital assets					
Buildings and improvements	4,459,137	-	412,459	(6,128)	4,865,468
Machinery and equipment	1,048,021	459	111,532	(5,694)	1,154,318
Infrastructure and land improvements	1,345,181	-	82,488	(15,404)	1,412,265
Intangibles	32,515	-	233	(510)	32,238
Total depreciable capital assets	6,884,854	459	606,712	(27,736)	7,464,289
Less accumulated depreciation					
Buildings and improvements	(2,242,908)	(133,180)	-	5,656	(2,370,432)
Machinery and equipment	(795,100)	(45,192)	-	5,614	(834,678)
Infrastructure and land improvements	(686,906)	(46,811)	-	10,262	(723,455)
Intangibles	(30,132)	(1,669)	-	510	(31,291)
Total accumulated depreciation	(3,755,046)	(226,852)	-	22,042	(3,959,856)
Total depreciable capital assets, net	3,129,808	(226,393)	606,712	(5,694)	3,504,433
Total capital assets	$ 4,838,360	$ 765,748	$ -	$ (36,893)	$ 5,567,215

(6) Bonds Payable

Changes in long-term debt for the six months ended June 30, 2022 and December 31, 2021 were as follows ($ in thousands):

	2022					
	January 1, 2022	Additions	Refunded debt	Retirements	June 30, 2022	Amounts due within one year
Senior lien bonds	$ 1,695,365	$ -	$ -	$ -	$ 1,695,365	$ 104,170
Subordinate lien bonds	3,155,980	-	-	-	3,155,980	36,220
Direct Placement						
Senior lien bonds	227,155	-	-	-	227,155	30,800
Subordinate lien bonds	930,150	-	-	-	930,150	754,280
Total Airport System revenue bonds	6,008,650	-	-	-	6,008,650	925,470
Plus unamortized net premiums	335,548	-	-	(19,759)	315,789	-
Total bond debt	$ 6,344,198	$ -	$ -	$ (19,759)	$ 6,324,439	$ 925,470
Less current portion					(925,470)	
Noncurrent portion					$ 5,398,969	

	2021					
	January 1, 2021	Additions	Refunded debt	Retirements	December 31, 2021	Amounts due within one year
Senior lien bonds	$ 1,824,230	$ -	$ (30,415)	$ (98,450)	$ 1,695,365	$ 104,170
Subordinate lien bonds	3,176,130	-	-	(20,150)	3,155,980	36,220
Direct Placement						
Senior lien bonds	262,155	28,900	(28,900)	(35,000)	227,155	30,800
Subordinate lien bonds	250,925	726,220	-	(46,995)	930,150	754,280
Total Airport System revenue bonds	5,513,440	755,120	(59,315)	(200,595)	6,008,650	925,470
Economic defeasance	40,080	-	-	(40,080)	-	-
Plus unamortized net premiums	376,825	-	-	(41,277)	335,548	-
Total bond debt	$ 5,930,345	$ 755,120	$ (59,315)	$ (281,952)	$ 6,344,198	$ 925,470
Less current portion					(925,470)	
Noncurrent portion					$ 5,418,728	

The Airport has issued bonds, bearing fixed and variable interest rates, collateralized by and payable from Airport Net Revenues, as defined in the 1984 Airport System General Bond Ordinance as supplemented and amended (Bond Ordinance) and the 1990 Airport System General Subordinate Bond Ordinance as supplemented and amended (Subordinate Bond Ordinance). Interest on fixed rate bonds is payable semi-annually. The variable rate bonds are issued in weekly mode (except for the Series 2007G1-G2 Bonds which were reset in a daily mode). Auction rate bonds carried interest rates that were reset for 7-day periods. On October 28, 2020, the auction rate bonds were refunded with the Series 2020A-2 and bear interest at a fixed rate. As such, the actual interest rate on the bonds will vary based on market conditions in the short-term tax-exempt bond market.

The maturity dates, interest rates, and principal amounts outstanding as of June 30, 2022 and December 31, 2021 are as follows ($ in thousands):

Bond	Maturity	Interest rate	Amount outstanding June 30, 2022	Amount outstanding December 31, 2021
Senior lien bonds				
Series 2009B	November 15, 2036 to 2039	6.41%	$ 65,290	$ 65,290
Series 2012A	November 15, 2022 to 2025, and 2031 to 2043	4.00-5.00%	116,885	116,885
Series 2012B	November 15, 2022 to 2025, 2031, and 2038 to 2043	4.00-5.00%	276,355	276,355
Series 2012C	November 15, 2026	3.59%	30,285	30,285
Series 2016A	November 15, 2023 to 2025, and 2031 to 2032	5.00%	207,020	207,020
Series 2017A	November 15, 2022 to 2024, and 2026 to 2030	5.00%	172,785	172,785
Series 2017B	November 15, 2033	5.00%	21,280	21,280
Series 2019C	November 15, 2026 to 2036	5.00%	120,005	120,005
Series 2019D	November 15, 2026 to 2031	5.00%	83,725	83,725
Series 2020A-1	November 15, 2022 to 2024, 2026, 2029, and 2032	5.00%	90,790	90,790
Series 2020A-2	November 15, 2022 to 2025	5.00%	46,930	46,930
Series 2020B-1	November 15, 2022 to 2025	5.00%	28,420	28,420
Series 2020B-2	November 15, 2025	5.00%	24,060	24,060
Series 2020C	November 15, 2022 to 2037	0.821 - 2.867%	411,535	411,535
Subordinate lien bonds				
Series 2013A	November 15, 2022 to 2043	4.00-5.50%	295,220	295,220
Series 2013B	November 15, 2022 to 2043	5.00-5.25%	357,025	357,025
Series 2018A	December 1, 2022 to 2048	3.75-5.25%	2,320,110	2,320,110
Series 2018B	December 1, 2022 to 2048	3.50-5.00%	183,625	183,625
Direct Placement				
Senior lien bonds				
Series 2002C*	November 15, 2022 to 2023, and 2026 to 2031	1.35%	17,200	17,200
Series 2007G1-G2*	November 15, 2022 to 2031	1.64%	92,800	92,800
Series 2008B*	November 15, 2022 to 2031	1.35%	35,100	35,100
Series 2009C*	November 15, 2022, and 2026 to 2031	1.35%	56,455	56,455
Series 2021A-B*	November 15, 2022, and 2024 to 2031	1.35%	25,600	25,600
Subordinate lien bonds				
Series 2015A	November 15, 2023 to 2025	2.20%	99,540	99,540
Series 2019A	November 15, 2022, 2024 and 2030	1.37%	104,390	104,390
Series 2021 Interim Note*	June 30, 2022	0.21%	700,000	700,000
Series 2021C	November 15, 2022	0.51%	26,220	26,220
Total revenue bonds			6,008,650	6,008,650
Less current portion			(925,470)	(925,470)
Net unamortized premiums			315,789	335,548
Total bonds payable noncurrent			$ 5,398,969	$ 5,418,728

* Variable rates are as of June 30, 2022

Most of the Airport term bonds are subject to certain mandatory redemption requirements and most of the Airport bonds are subject to certain optional redemption provisions. Certain of the Airport bonds are subject to certain mandatory sinking fund redemption requirements.

(a) Economic Defeasances

On November 1, 1999, the Airport entered into an economic defeasance of $54.9 million of Airport Revenue Bonds through the use of certain 1998 and 1999 federal grant proceeds from the United States Department of Transportation under a 1990 Letter of Intent. These funds were set aside in special escrow accounts (Escrow A and Escrow B) held by the City. Escrow A proceeds will be used to pay principal and interest on $40.1 million of the Series 1992C Bonds (LOI 1998/1999 bond) maturing on November 15, 2025. Escrow B proceeds were used to pay principal and interest on $14.8 million of the Series 1991D Bonds which matured on November 15, 2013. On May 20, 2021, these bonds were fully redeemed.

The economically defeased bonds are considered outstanding for the purpose of the General Bond Ordinance and were not considered legal defeasances or in-substance defeasances under US GAAP and, therefore, the bonds remained outstanding in the accompanying financial statements.

(b) Bond and Note Issuances

On July 19, 2022, the Airport issued senior lien Airport System Revenue Bonds Series 2022A (AMT) (Series 2022A) and Airport System Revenue Bonds Series 2022B (non-AMT) (Series 2022B) in the aggregate principal amounts of $1.5 billion and $175.6 million, respectively. See note 18 (a) to the financial statements for additional information.

On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively. With the execution of this Bond Purchase and Exchange Agreement there were no longer any outstanding Airport System Revenue Bonds issued prior to August 1, 2000. This adjusted the calculation of the Minimum Bond Reserve as defined within the General Bond Ordinance and reduced the Minimum Bond Reserve amount as it applies to the senior lien airport system revenue bonds. The City, for and on behalf of the Airport, filed a Voluntary Notice (see https://emma.msrb.org/P21480842-P21148170-P21561857.pdf).

On December 17, 2021, the City, for and on behalf of its Department of Aviation, issued private activity Airport System Subordinate Revenue Bonds, Series 2021C (Series 2021C Bonds) and issued a Note Purchase Agreement (2021 Interim Note) in the amounts of $26.2 million and $700.0 million, respectively. The proceeds from the issuance of the 2021 Interim Note are to assist in funding the 2018-2022 Capital Program and were used to pay for issuance cost. The maturity date of the 2021 Interim Note is June 30, 2022. The 2021 Interim Note bears interest at a variable rate due at maturity. The Series 2021C Bonds were issued at a fixed interest rate for the purposes of current refunding Series 2011A Bonds maturing on November 15, 2021. The Series 2021C Bonds mature on November 15, 2022.

On October 28, 2020, the Airport issued the Airport System Revenue Bonds Series 2020A-1 (Non-AMT Private Activity), Series 2020A-2 (Non-AMT Governmental), Series 2020B-1 (AMT), Series 2020B-2 (AMT), and Series 2020C (Taxable) for $95.3 million, $60.5 million, $37.5 million, $24.1 million, and $411.5 million, respectively. Proceeds from these 2020A-C bonds coupled with use of bond reserve and bond funds were used to (i) refund and redeem all or a portion of the outstanding principal amounts of $35.3 million, $35.5 million, $79.1 million, $114.8 million, $17.0 million, $9.0 million, $135.4 million, and $198.7 million of the Airport System Revenues Bonds Series 2007F1, Series 2007F2, Series 2008C1, Series 2010A, Series 2011A, Series 2012A, and Series 2012B, respectively, (ii) pay the costs of terminating a 2008B Swap Agreement with Loop Financial Products I, LLC, and (iii) pay the costs of issuance. All the 2020A-C bonds bear interest at various fixed rates and staggered maturities through November 15, 2037. The transactions yielded a net present value savings of $58.4 million.

(c) Defeased Bonds

The Airport has defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. As of June 30, 2022, and December 31, 2021, $366.3 million and $396.7 million, respectively, of bonds outstanding are considered defeased.

(7) Bond and Notes Payable Debt Service Requirements

(a) Bonds Payable

Bond debt service requirements of the Airport for bonds payable to maturity as of December 31, 2021 are as follows ($ in thousands):

					Direct Placement					
	Senior lien bonds		Subordinate lien bonds		Seninor lien bonds		Subordinate lien bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Year:										
2022	$ 104,170	$ 71,741	$ 36,220	$ 154,978	$ 30,800	$ 3,520	$ 754,280	$ 7,637	$ 925,470	$ 237,876
2023	165,225	63,922	47,030	153,167	16,290	3,067	32,020	3,256	260,565	223,412
2024	145,125	56,623	47,150	150,866	19,900	2,797	57,905	2,545	270,080	212,831
2025	171,540	50,089	45,500	148,498	17,975	2,480	60,025	1,451	295,040	202,518
2026	101,650	40,948	106,885	146,203	22,110	2,198	4,830	477	235,475	189,826
2027-2031	548,775	156,753	589,565	643,981	120,080	5,679	21,090	984	1,279,510	807,397
2032-2036	256,605	72,070	661,945	486,789	-	-	-	-	918,550	558,859
2037-2041	159,150	29,818	691,955	320,913	-	-	-	-	851,105	350,731
2042-2046	43,125	2,623	652,905	157,280	-	-	-	-	696,030	159,903
2047-2048	-	-	276,825	19,948	-	-	-	-	276,825	19,948
Total	$ 1,695,365	$ 544,587	$ 3,155,980	$ 2,382,623	$ 227,155	$ 19,741	$ 930,150	$ 16,350	$ 6,008,650	$ 2,963,301

(b) Note Payable

Note Payable – The Airport entered into a $20.5 million Master Installment Purchase Agreement with Sovereign Leasing, LLC on January 10, 2012, to finance capital equipment purchases, at a rate of 1.9595% based on a 30/360 calculation for 2012. This note payable was paid in full in 2021.

Changes in note payable as of December 31, 2021 were as follows ($ in thousands):

	Balance January 1, 2021	Additions	Retirements	Balance December 31 2021	Amounts due within one year
Note payable	$ 2,235	$ -	$ (2,235)	$ -	$ -
Less current portion				-	
Noncurrent portion				$ -	

(8) Direct Placement Bonds and Direct Loans

As of June 30, 2022, the Airport held directly placed debt as detailed below:

Series:	**2008B(2)**	**2009C**	**1992F(3)**	**1992G(3)**
Par Outstanding at 06/30/2022 (000)	$ 35,100	$ 56,455	$ -	$ -
Par Outstanding at 12/31/2021 (000)	$ 35,100	$ 56,455	$ -	$ -
Lien	Senior	Senior	Senior	Senior
Bond Maturity Date	11/15/2031	11/15/2031	11/15/2031	11/15/2031
Facilty and Reimbursement Agreemen As of 06/30/2022	Credit	Credit	Credit	Credit
Financial Institution:	Bank of America, N.A.	Bank of America, N.A.	Banc of America Preferred Funding Corporation	Banc of America Preferred Funding Corporation
Terms:				
Execution Date	7/1/2020	4/28/2017	10/24/2014	10/24/2014
Initial Expiration Date	7/1/2023	4/28/2020	9/25/2017	9/25/2017
Amended Expiration Date	n/a	4/28/2023	9/25/2020	9/25/2020
2nd Amended Expiration Date	n/a	n/a	4/28/2023	4/28/2023
Index Rate				
06/30/2022	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate
12/31/2021	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate
Applicable Factor	n/a	n/a	70.0%	70.0%
Applicable Spread as of 06/30/2022	0.37%	0.37%	0.37%	0.37%
Applicable Spread as of 12/31/2021	0.37%	0.37%	0.37%	0.37%
Increase in Applicable Spread Due To Credit:				
Rating Downgrade	Yes(1)	Yes(1)	Yes(1)	Yes(1)
Margin Rate Factor	n/a	n/a	n/a	n/a
Rate Formula	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread
Moody's Rating as of 06/30/2022	Aa3	Aa3	n/a	n/a
Moody's Rating as of 12/31/2021	A1	A1	n/a	n/a
S&P Rating as of 06/30/2022	A+	A+	n/a	n/a
S&P Rating as of 12/31/2021	A+	A+	n/a	n/a
Fitch Rating as of 06/30/2022	AA-	AA-	n/a	n/a
Fitch Rating as of 12/31/2021	AA-	AA-	n/a	n/a

(1) See Applicable Spread table
(2) New Credit Facility and Reimbursement Agreement was executed in 2020 with Bank of America, N.A.
(3) These bond series were refunded with the 2021A and 2021B series

Series:	2002C	2007G1	2007G2	2021A
Par Outstanding at 06/30/2022 (000)	$ 17,200	$ 46,300	$ 46,500	$ 14,000
Par Outstanding at 12/31/2021 (000)	$ 17,200	$ 46,300	$ 46,500	$ 14,000
Lien	Senior	Senior	Senior	Senior
Bond Maturity Date	11/15/2031	11/15/2031	11/15/2031	11/15/2031
Facilty and Reimbursement Agreemen As of 06/30/2022	Credit	Credit	Credit	Credit
Financial Institution:	Banc of America Preferred Funding Corporation	BMO Harris Investment Corp.	BMO Harris Investment Corp.	Banc of America Preferred Funding Corporation
Terms:				
Execution Date	9/25/2014	11/1/2014	11/1/2014	7/1/2021
Initial Expiration Date	9/25/2017	12/1/2023	12/1/2023	4/26/2023
Amended Expiration Date	9/25/2020	n/a	n/a	n/a
2nd Amended Expiration Date	4/28/2023	n/a	n/a	n/a
Index Rate				
06/30/2022	SIFMA Index Rate	1-month LIBOR Rate	1-month LIBOR Rate	SIFMA Index Rate
12/31/2021	SIFMA Index Rate	1-month LIBOR Rate	1-month LIBOR Rate	n/a
Applicable Factor	n/a	70.0%	70.0%	n/a
Applicable Spread as of 06/30/2022	0.37%	0.90%	0.90%	0.37%
Applicable Spread as of 12/31/2021	0.37%	0.90%	0.90%	n/a
Increase in Applicable Spread Due To Credit:				
Rating Downgrade	Yes(1)	Yes(1)	Yes(1)	Yes(1)
Margin Rate Factor	n/a	n/a	n/a	n/a
Rate Formula	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread	Rate Formula Index Rate x Applicable Factor + Applicable Spread
Moody's Rating as of 06/30/2022	Aa3	Aa3	Aa3	Aa3
Moody's Rating as of 12/31/2021	A1	A1	A1	n/a
S&P Rating as of 06/30/2022	A+	A+	A+	A+
S&P Rating as of 12/31/2021	A+	A+	A+	n/a
Fitch Rating as of 06/30/2022	AA-	AA-	AA-	AA-
Fitch Rating as of 12/31/2021	AA-	AA-	AA-	n/a

(1) See Applicable Spread table
(2) New Credit Facility and Reimbursement Agreement was executed in 2020 with Bank of America, N.A.
(3) These bond series were refunded with the 2021A and 2021B series

Series:	2021B	2015A	2019A	2021C	2021 Interim Note
Par Outstanding at 06/30/2022 (000)	$ 11,600	$ 99,540	$ 104,390	$ 26,220	$ 700,000
Par Outstanding at 12/31/2021 (000)	$ 11,600	$ 99,540	$ 104,390	$ 26,220	$ 700,000
Lien	Senior	Subordinate	Subordinate	Subordinate	Subordinate
Bond Maturity Date	11/15/2031	11/15/2025	11/15/2030	11/15/2022	6/30/2022
Facilty and Reimbursement Agreemen	Credit	Credit	Credit	Bond Purchase Agreement	Note Purchase Agreement
As of 06/30/2022					
Financial Institution:	Banc of America Preferred Funding Corporation	Bank of America, N.A.	State Street Public Lending Corporation	Bank of America, N.A.	Bank of America, N.A.
Terms:					
Execution Date	7/1/2021	11/20/2015	8/27/2019	12/17/2021	12/17/2021
Initial Expiration Date	4/26/2023	11/15/2025	11/15/2025	11/15/2022	6/30/2022
Amended Expiration Date	n/a	n/a	n/a	n/a	n/a
2nd Amended Expiration Date	n/a	n/a	n/a	n/a	n/a
Index Rate					
06/30/2022	SIFMA Index Rate	Fixed Rate	Fixed Rate	Fixed Rate	SIFMA Index Rate
12/31/2021	n/a	Fixed Rate	Fixed Rate	n/a	n/a
Applicable Factor	n/a	n/a	n/a	n/a	n/a
Applicable Spread as of 06/30/2022	0.37%	n/a	n/a	n/a	0.11%
Applicable Spread as of 12/31/2021	n/a	n/a	n/a	n/a	n/a
Increase in Applicable Spread Due To Credit:					
Rating Downgrade	Yes(1)	n/a	n/a	n/a	n/a
Margin Rate Factor	n/a	n/a	n/a	n/a	n/a
Rate Formula	Rate Formula Index Rate x Applicable Factor + Applicable Spread	n/a	n/a	n/a	n/a
Moody's Rating as of 06/30/2022	Aa3	n/a	n/a	n/a	n/a
Moody's Rating as of 12/31/2021	A1	n/a	n/a	n/a	n/a
S&P Rating as of 06/30/2022	A+	n/a	n/a	n/a	n/a
S&P Rating as of 12/31/2021	A+	n/a	n/a	n/a	n/a
Fitch Rating as of 06/30/2022	AA-	n/a	n/a	n/a	n/a
Fitch Rating as of 12/31/2021	AA-	n/a	n/a	n/a	n/a

(1) See Applicable Spread table
(2) New Credit Facility and Reimbursement Agreement was executed in 2020 with Bank of America, N.A.
(3) These bond series were refunded with the 2021A and 2021B series

On July 29, 2011 and August 8, 2011, the Airport entered into a Liquidity Facility and Reimbursement Agreement (Liquidity Agreement) with Wells Fargo, who purchased the Series 2008B and 2008C1 Bonds, respectively, at a floating rate indexed to 1-month LIBOR. On December 11, 2015, this agreement was amended, and the expiration date was extended to December 11, 2020. On July 1, 2020, the Airport entered into a credit facility and reimbursement agreement with Bank of America, N.A., who purchased the Series 2008B Bonds, bearing interest at the SIFMA Index Rate. These agreements are set to expire on July 1, 2023. On October 28, 2020, the Airport issued the Airport System Revenue Bonds Series 2020A-1 (Non-AMT Private Activity), Series 2020A-2 (Non-AMT Governmental), Series 2020B-1 (AMT), Series 2020B-2 (AMT), and Series 2020C (Taxable) for $95.3 million, $60.5 million, $37.5 million, $24.1 million, and $411.5 million, respectively. This redeemed the 2008C1 bonds outstanding principal balance.

On October 1, 2012, the Airport entered into a Credit Facility and Reimbursement Agreement (Credit Agreement) with U.S. Bank National Association, who purchased the Series 2009C Bonds at a floating rate indexed to 1-month LIBOR. This agreement was to expire on April 30, 2017. On April 28, 2017, the Airport entered into a Credit Agreement with Bank of America, N.A., who purchased the Series 2009C Bonds at a floating indexed to 1-month LIBOR. This agreement expires on April 28, 2020. On April 28, 2020, the Airport amended the agreement to extend the expiration date to April 28, 2023 and the floating rate index changed to SIFMA index rate.

On October 24, 2014, the Airport entered into Credit Agreements with Banc of America Preferred Funding Corporation who purchased the Series 1992F, G Bonds at a floating rate indexed to 1-month LIBOR. These agreements expired on September 25, 2017. These agreements were extended to expire on September 25, 2020. On April 28, 2020, the Airport amended the agreement to extend the expiration date to April 28, 2023. The index shall remain the 1-month LIBOR rate with the option to change to the SIFMA index rate prior to September 25, 2020. On September 25, 2020, the floating rate index changed to the SIFMA index rate. On June 15,2020, the Airport converted the index rate from a 1-month LIBOR rate to a SIFMA index rate. On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements and a Credit Facility and Reimbursement Agreement with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively.

On September 25, 2014, the Airport entered into Credit Agreements with Banc of America Preferred Funding Corporation, who purchased the Series 2002C Bonds at a floating rate indexed to 1-month LIBOR. This agreement expired on September 25, 2017. These agreements were extended to expire on September 25, 2020. On April 28, 2020, the Airport amended the agreement to extend the expiration date to April 28, 2023. The index shall remain the 1-month LIBOR rate with the option to change to the SIFMA index rate prior to September 25, 2020. On September 25, 2020, the floating rate index changed to the SIFMA index rate. On June 15,2020, the Airport converted the index rate from a 1-month LIBOR rate to a SIFMA index rate.

On November 1, 2014, the Airport entered into Credit Agreements with BMO Harris Investment Corp. who purchased the Series 2007G1-G2 Bonds at a floating rate indexed to 1-month LIBOR. This agreement expires on December 1, 2023.

On November 20, 2015, the Airport entered into Credit Agreement with Bank of America, N.A., who purchased the Series 2015A Bonds at a fixed interest rate. The Series 2015A Bonds mature on November 15, 2025.

On August 20, 2019, the Airport entered into Credit Agreements with State Street Public Leasing Corporation, who purchased the Series 2019A-B Bonds at a fixed interest rate. The Series 2019A (AMT) matures on November 15, 2031 with a Mandatory Tender of $25.9 million due on November 15, 2025, and the Series 2019B (Taxable) matures on November 15, 2020.

On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively. With the execution of this Bond Purchase and Exchange Agreement there were no longer any outstanding Airport System Revenue Bonds issued prior to August 1, 2000.

On December 17, 2021, the City, for and on behalf of its Department of Aviation, issued private activity Airport System Subordinate Revenue Bonds, Series 2021C (Series 2021C Bonds) and issued a Note Purchase Agreement (2021 Interim Note) in the amounts of $26.2 million and $700.0 million, respectively. The proceeds from the issuance of the 2021 Interim Note are to assist in funding the 2018-2022 Capital Program and were used to pay for issuance cost. The maturity date of the 2021 Interim Note was June 30, 2022. On June 10, 2022, the maturity date for the 2021 Interim Note was extended from June 30, 2022 to August 31, 2022. The 2021 Interim Note bears interest at a variable rate which is due at maturity. On July 19, 2022, with the issuance of the Series 2022A Bonds, paid in full the 2021 Interim Note. See note 18 (a) to the financial statements for additional information. The Series 2021C Bonds were issued at a fixed interest rate for the purposes of current refunding Series 2011A Bonds maturing on November 15, 2021. The Series 2021C Bonds mature on November 15, 2022.

Some of these Bonds maybe periodically remarketed to banks and the bank owners and can change before reaching maturity or are otherwise paid. These are certain events which could result in a higher interest rate and/or an acceleration of amounts due on these bonds. These events are described in the event filed on the Municipal Securities Rulemaking Boards (MSRB) Electronic Municipal Market Access (EMMA) site using the following links:

Credit Facility Bond Series

2008B	https://emma.msrb.org/SS1490948.pdf	Second Amended and Restated Reimbursement Agreement
2009C	https://emma.msrb.org/SS1480419.pdf	First Amendment to Credit Facility and Reimbursement Agreement
1992F	https://emma.msrb.org/SS1480106.pdf	Second Amended and Restated Reimbursement Agreement
1992G	https://emma.msrb.org/SS1480107.pdf	Second Amended and Restated Reimbursement Agreement
2002C	https://emma.msrb.org/SS1480109.pdf	Amended and Restated Credit Facility and Reimbursement Agreement
2019A	https://emma.msrb.org/ER1380040.pdf	Credit Facility and Reimbursement Agreement
2019B	https://emma.msrb.org/ER1380040.pdf	Credit Facility and Reimbursement Agreement
2021A	https://emma.msrb.org/P21489462-P11171100-P11586834.pdf	Credit Facility and Reimbursement Agreement
2021B	https://emma.msrb.org/P21489462-P11171100-P11586834.pdf	Credit Facility and Reimbursement Agreement
2021C	https://emma.msrb.org/P21533161-P11197861-P11616050.pdf	Bond Purchase Agreement
2021 Interim Note	https://emma.msrb.org/P21533161-P11197861-P11616050.pdf	Note Purchase Agreement

For some bond series, the Reimbursement Agreements or Note Purchase Agreements are not available on EMMA. These bonds series have the same event of default requirements as other bond series. Below is a list of the similar event of defaults sections within the Credit Agreements as of June 30, 2022 and December 31, 2021:

Similar Event of Defaults as of June 30, 2022:

Senior Lien				Subordinate Lien		Subordinate Lien	
Similar Event of Defaults		Similar Event of Defaults		Similar Event of Defaults		Similar Event of Defaults	
Sections with Credit Agreement	Series	Sections with Credit Agreement	Series	Sections with Credit Agreement	Series	Note Purchase Agreement	Note
Section 5.10	2008B(1)	Section 6.10	2021A(1)	Section 5.7	2015A(2)	Section 6.10	2021 Interim Note (Loan)
Section 5.11	1992F(1)	Section 6.12	2021B(1)	Section 5.8	2019A(1)	Section 6.12	2021C
Section 5.13	1992G(1)	Section 6.14(b)		Section 5.10(b)	2019B(1)	Section 6.14(b)	
Section 5.15(b)	2002C(1)	Section 6.16		Section 6.1(a)		Section 6.16	
Section 5.17	2009C(1)	Section 7.1(a)		Section 6.1(b)		Section 7.1(a)	
Section 5.22	2007G1(2)	Section 7.1(b)		Section 6.1(e)		Section 7.1(b)	
Section 5.25	2007G2(2)						
Section 5.26							
Section 6.1(a)							
Section 6.1(b)							
Section 6.1(f)							
Section 6.1(j)							

(1) Event of Default Sections of the Credit Agreement can be viewed on EMMA for language.
(2) Although details of the Event of Default sections are not posted on EMMA, the related sections are posted on EMMA for other bond series. There are no difference in the requirements of these bonds.

Similar Event of Defaults as of December 31, 2021:

Senior Lien				Subordinate Lien		Subordinate Lien	
Similar Event of Defaults		Similar Event of Defaults		Similar Event of Defaults		Similar Event of Defaults	
Sections with Credit Agreement	Series	Sections with Credit Agreement	Series	Sections with Credit Agreement	Series	Note Purchase Agreement	Note
Section 5.10	2008B(1)	Section 6.10	2021A(1)	Section 5.7	2015A(2)	Section 6.10	2021 Interim Note (Loan)
Section 5.11	1992F(1)	Section 6.12	2021B(1)	Section 5.8	2019A(1)	Section 6.12	2021C
Section 5.13	1992G(1)	Section 6.14(b)		Section 5.10(b)	2019B(1)	Section 6.14(b)	
Section 5.15(b)	2002C(1)	Section 6.16		Section 6.1(a)		Section 6.16	
Section 5.17	2009C(1)	Section 7.1(a)		Section 6.1(b)		Section 7.1(a)	
Section 5.22	2007G1(2)	Section 7.1(b)		Section 6.1(e)		Section 7.1(b)	
Section 5.25	2007G2(2)						
Section 5.26							
Section 6.1(a)							
Section 6.1(b)							
Section 6.1(f)							
Section 6.1(j)							

(1) Event of Default Sections of the Credit Agreement can be viewed on EMMA for language.
(2) Although details of the Event of Default sections are not posted on EMMA, the related sections are posted on EMMA for other bond series. There are no difference in the requirements of these bonds.

As of June 30, 2022 and December 31, 2021, the Airport has not defaulted on any of the events of defaults.

Applicable spread:

The variable rate interest due on these Bonds is contingent on the related index and the related Senior Bond Ratings. If the Airport Senior Bond Rating adjusts so does the applicable spread basis points used to calculate the interest due. Below are the applicable spreads for each variable rate Bond Series.

Applicable spread upon credit ratings downgrade as of June 30, 2022

Credit Facility Bond Series	Moody's	S&P	Fitch	Applicable Spread
2007G1&G2	A1 or higher	A+ or higher	A+ or higher	90 basis points (0.90%)
	A2	A	A	116 basis points (1.16%)
	A3	A-	A-	143 basis points (1.43%)
	Baa1	BBB+	BBB+	172 basis points (1.72%)
	Baa2	BBB	BBB	203 basis points (2.03%)

Refer to the EMMA posting noted above for detailed information regarding the Applicable Spread upon Credit Ratings for each of the following Series: 2008B, 2009C, 1992F, 1992G, and 2002C. Although not posted to EMMA, the Applicable Spread upon Credit Ratings for Series 2021A and 2021B is the same as Series 2008B, 2009C, 1992F, 1992G, and 2002C.

For the Series 2008B, 2009C, 1992F, 1992G, 2002C, 2021A, and 2021B, in the event the Airport maintains Senior Bond ratings from each of Moody's, S&P and Fitch, known as the Rating Agencies, and two of such Senior Bond ratings are equivalent, the Applicable Spread shall be based upon the Level in which the two equivalent Senior Bond ratings appears; if Senior Bond Ratings are assigned by all three Rating Agencies and no two such Senior Bond Ratings are equivalent, the Applicable Spread shall be based upon the Level in which the middle Senior Bond Rating appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are not equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings appears. Any change in the Applicable Spread resulting from a reduction, withdrawal, suspension or unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

For Series 2007G1 & G2, in the event the Airport maintains Senior Bond ratings assigned by all three Rating Agencies, the Applicable Spread shall be based upon the Level in which the lower of the two highest Senior Bond Ratings appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are no equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings Appears. Any change in the Applicable Spread resulting from a reduction, which, suspension or unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

Through maturity, the 2021 Interim Note has a fixed Applicable Spread rate of 0.11%.

Applicable spread upon credit ratings downgrade as of December 31, 2021

Credit Facility Bond Series	Moody's	S&P	Fitch	Applicable Spread
2007G1&G2	A1 or higher	A+ or higher	A+ or higher	90 basis points (0.90%)
	A2	A	A	116 basis points (1.16%)
	A3	A-	A-	143 basis points (1.43%)
	Baa1	BBB+	BBB+	172 basis points (1.72%)
	Baa2	BBB	BBB	203 basis points (2.03%)

Refer to the EMMA posting noted above for detailed information regarding the Applicable Spread upon Credit Ratings for each of the following Series: 2008B, 2009C, 1992F, 1992G, and 2002C. Although not posted to EMMA, the Applicable Spread upon Credit Ratings for Series 2021A and 2021B is the same as Series 2008B, 2009C, 1992F, 1992G, and 2002C.

For the Series 2008B, 2009C, 1992F, 1992G, 2002C, 2021A, and 2021B, in the event the Airport maintains Senior Bond ratings from each of Moody's, S&P and Fitch, known as the Rating Agencies, and two of such Senior Bond ratings are equivalent, the Applicable Spread shall be based upon the Level in which the two equivalent Senior Bond ratings appears; if Senior Bond Ratings are assigned by all three Rating Agencies and no two such Senior Bond Ratings are equivalent, the Applicable Spread shall be based upon the Level in which the middle Senior Bond Rating appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are not equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings appears. Any change in the Applicable Spread resulting from a reduction, withdrawal, suspension or unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

For Series 2007G1 & G2, in the event the Airport maintains Senior Bond ratings assigned by all three Rating Agencies, the Applicable Spread shall be based upon the Level in which the lower of the two highest Senior Bond Ratings appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are no equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings Appears. Any change in the Applicable Spread resulting from a reduction, which, suspension or unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

Through maturity, the 2021 Interim Note has a fixed Applicable Spread rate of 0.11%.

(9) Bond Ordinance Provisions

(a) Additional Bonds

The Airport may issue additional parity and subordinate bonds, subject to certain coverage and other provisions, for the purpose of acquiring, improving or equipping facilities related to the Airport.

(b) Airport Revenue Bonds

Under the terms of the Bond Ordinance, all bond series (the Senior Bonds) are collateralized by a first lien on the Net Revenues of the Airport. Under the terms of the Subordinate Bond Ordinance, outstanding Commercial Paper is collateralized by Net Revenues of the Airport subordinate to the Senior Bonds.

The Airport is required by the Bond Ordinance to set and collect rates and charges sufficient, together with other available funds, to provide for the payment of all operating and maintenance expenses for the current fiscal year plus 125% of the aggregate principal and interest payments of the Senior Bonds for such fiscal year prior to the issuance of additional bonds. Also, the Airport is required to maintain Minimum Bond Reserves for both senior and subordinate lien bonds. On July 14, 2021, the City, for and on behalf of the Airport, entered into a Bond Purchase and Exchange Agreements with Banc of America Preferred Funding Corporation for the Series 1992F-G for the Series 2021A-B, respectively. With the execution of this Bond Purchase and Exchange Agreement there were no longer any outstanding Airport System Revenue Bonds issued prior to August 1, 2000. This adjusted the calculation of the Minimum Bond Reserve as defined within the General Bond Ordinance and reduced the Minimum Bond Reserve amount as it applies to the senior lien system revenue bonds. On July 27, 2021, the City, for and on behalf of the Airport, filed a Voluntary Notice on EMMA (see https://emma.msrb.org/P21480842-P21148170-P21561857.pdf). The Airport is in compliance with the bond covenants listed in the bond ordinance.

(10) Swap Agreements

The Airport has entered into interest rate swap agreements in order to protect against rising interest rates. The 1999 and 2009A swap agreements all pay fixed–receive variable rate cash flow hedges, with the variable payment from the counterparty based on the USD-SIFMA Municipal Swap Index and the variable rate of the bonds. The rest of the Airport's swap agreements are considered investment derivatives in accordance with the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53). Additionally, investment income on these derivatives has also been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivative investments.

The fair value balances and notional amounts of the swaps outstanding at June 30, 2022 and December 31, 2021 and the changes in the fair value of such swaps for the periods then ended, are as follows ($ in thousands):

Counterparty	Effective date	Notional amount (in millions)	Bond/swap termination date	Associated debt series	Payable swap rate	Receivable swap rate	Changes in fair value Classification	Changes in fair value Amount	Fair value 6/30/2022
1999 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	10/4/2001	$ 16	11/1/2022	(1)	5.6179%	SIFMA	Deferred Outflow	$ (257)	$ (267)
							Investment Income	$ (237)	
Merrill Lynch Capital Services, Inc.	10/4/2001	$ 8	11/1/2022	(1)	5.5529%	SIFMA	Deferred Outflow	$ (128)	(132)
							Investment Income	$ (116)	
2005 Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/2006	$ 35	11/15/2025	2016A(3)	3.6874%	70% LIBOR	Investment Income	$ (1,516)	(1,100)
2006A Swap Agreements									
GKB Financial Services Corp.	11/15/2007	$ 24	11/15/2025	2007F-G(2)	4.0085%	70% LIBOR	Investment Income	$ (1,046)	(875)
2006B Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/2006	$ 35	11/15/2025	2016A	SIFMA	4.0855%	Investment Income	$ 1,723	1,193
2008A Swap Agreement									
Royal Bank of Canada	12/18/2008	$ 48	11/15/2025	2007F-G(2)	4.0085%	70% LIBOR	Investment Income	$ (2,093)	(1,750)
2009A Swap Agreement									
Loop Financial Products I LLC	1/12/2010	$ 8	11/1/2022	(1)	5.6229%	SIFMA	Deferred Outflow	$ (156)	(138)
							Investment Income	$ (92)	
Total									$ (3,069)

(1) Swaps associated with Series 2009C, 2008B and a portion of the 2002C Bonds
(2) A portion of the Series 2002C bonds are additionally associated with these swaps
(3) Previously associated with 2007D and 2017A

Counterparty	Effective date	Notional amount (in millions)	Bond/swap termination date	Associated debt series	Payable swap rate	Receivable swap rate	Changes in fair value Classification	Changes in fair value Amount	Fair value 12/31/2021
1999 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	10/4/2001	$ 16	11/1/2022	(1)	5.6179%	SIFMA	Deferred Outflow	$ (1,058)	$ (760)
							Investment Income	(1,124)	-
Merrill Lynch Capital Services, Inc.	10/4/2001	8	11/1/2022	(1)	5.5529%	SIFMA	Deferred Outflow	(529)	(376)
							Investment Income	(549)	-
2005 Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/2006	35	11/15/2025	2016A(3)	3.6874%	70% LIBOR	Investment Income	(1,739)	(2,616)
2006A Swap Agreements									
GKB Financial Services Corp.	11/15/2007	24	11/15/2025	2007F-G(2)	4.0085%	70% LIBOR	Investment Income	(1,370)	(1,922)
2006B Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/2006	35	11/15/2025	2016A	SIFMA	4.0855%	Investment Income	1,857	2,916
2008A Swap Agreement									
Royal Bank of Canada	12/18/2008	48	11/15/2025	2007F-G(2)	4.0085%	70% LIBOR	Investment Income	(2,740)	(3,843)
2009A Swap Agreement									
Loop Financial Products I LLC	1/12/2010	8	11/1/2022	(1)	5.6229%	SIFMA	Deferred Outflow	(667)	(385)
							Investment Income	(435)	-
Total									$ (6,986)

(1) Swaps associated with Series 2009C, 2008B and a portion of the 2002C Bonds
(2) A portion of the Series 2002C bonds are additionally associated with these swaps
(3) Previously associated with 2007D and 2017A

Payments by the Airport to counterparties relating to these swap agreements, including termination payments, are Subordinate Obligations, subordinate to debt service payments on the Airport's Senior Bonds, and on parity with the Airport's Subordinate Bonds. Fair values were calculated using the mid-market LIBOR and SIFMA swap curves as of June 30, 2022 and December 31, 2021. Fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of June 30, 2022 and December 31, 2021. When the present value of payments to be made by the Airport exceeds the present value of payments to be received, the swap has a negative value to the Airport. When the present value of payments to be received by the Airport exceeds that of payments to be made, the swap has a positive value to the Airport.

(a) Risks Associated with the Swap Agreements

The following risks are generally associated with swap agreements:

Credit Risk – All of the Airport's swap agreements rely upon the performance of swap counterparties. The Airport is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the Airport. The Airport measures the extent of this risk based upon the credit ratings of the counterparty and the fair value of the swap agreement. If the Airport delivers a surety policy or other credit support document guaranteeing its obligations under the Swap Agreement that is rated in the highest rating category of either Standard & Poor's, Moody's Investors Service or Fitch, for any swap agreement, the counterparty to that agreement is obligated to either be rated, or provide credit support securing its obligations under the swap agreement rated in the highest rating category of either Standard & Poor's, Moody's Investor Service or Fitch; or under certain circumstances, provide collateral. The Airport is obligated, under the swap agreements, to provide such surety policy or credit support if the unsecured and unenhanced ratings of the Airport's Senior Bonds is below any two of BBB by Standard & Poor's, Baa2 by Moody's Investors Service or BBB by Fitch.

As of June 30, 2022, the ratings of the Airport's Senior Bonds were A+ by Standard & Poor's (S&P) (with a positive outlook), Aa3 by Moody's Investors Service (with a stable outlook) and AA- by Fitch (with a stable outlook). Therefore, no surety policy or credit has been provided to the counterparties by the Airport. Failure of either the Airport or the counterparty to provide credit support or collateral, as described in the swap agreements, is a termination event under the swap agreements (see termination risk below).

The ratings of the counterparties, or their credit support providers, as of June 30, 2022 are as follows:

	Ratings of the counterparty or its credit support provider		
Counterparty (credit support provider)	**S&P**	**Moody's**	**Fitch**
Goldman Sachs Capital Markets, L.P.			
(Goldman Sachs Group, Inc.)	BBB+	A2	A
JP Morgan Chase Bank, N.A.	A+	Aa2	AA
LOOP Financial Products, LLC			
(Deutsche Bank, AG, New York Branch)	A-	A2	A-
Merrill Lynch Capital Services, Inc.			
(Merrill Lynch & Co., Inc.)	A-	A2	AA-
Royal Bank of Canada	AA-	Aa1	AA-
GKB Financial Services Corporation II, Inc.			
(Societe Generale New York Branch)	A	A1	A

As of June 30, 2022, there was no risk of loss for the swap agreements that had negative fair values. For the swap agreements that had positive fair values, the risk of loss is the amount of the derivatives' fair value.

Termination Risk – Any party to the Airport's swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the Airport may terminate any of its swap agreements at any time at its sole discretion. Further, certain credit events can lead to a termination event under the swap agreements (see Credit Risk above). If, at the time of termination, the swap has a negative fair value, the Airport could be liable to the counterparty for a payment equal to the swap's fair value. If any of the Airport's swap agreements are terminated, the associated variable rate bonds would either no longer be hedged with a synthetic fixed interest rate or the nature of the basis risk associated with the swap agreement may change. The Airport is not aware of any existing event that would lead to a termination event with respect to any of its swap agreements.

Interest Rate Risk – The Airport is exposed to interest rate risk in that as the variable rates of the swap agreements decrease, the Airport's net payments on the swap agreements increase.

Basis Risk – Each of the Airport's swap agreements is associated with certain debt obligations or other swaps. The Airport pays interest at variable interest rates on some of the associated debt obligations and associated swaps. The Airport receives variable payments under some of its swap agreements. To the extent the variable rate on the associated debt or the associated swap paid by the Airport is based on an index different than that used to determine the variable payments received by the Airport under the swap agreement, there may be an increase or decrease in the synthetic interest rate intended under the swap agreement. The nature of this risk for each of the Airport's series of swaps is discussed more specifically in the descriptions of these swap agreements below.

(b) Swap Payments and Associated Debt

Interest Rate Swap Profile (all rates as of December 31, 2021):

Swaps	**1999, 2009A**	**2005, 2006B**	**2006A, 2008B**
Associated debt	**2009C**	**2016A**	**2007G1-G2**
Payment to counterparty:	5.6029%	3.7874%	4.0085%
Payment from counterparty:	0.1000%	4.1564%	0.0709%
Net swap payment:	5.5029%	-0.3690%	3.9376%
Associated bond interest rate:	0.4700%	5.0000%	0.9709%
Net swap & bond payment:	5.9729%	4.6310%	4.9085%

As rates vary, variable rate bond interest payments and net swap payments will vary. As of December 31, 2021, debt service requirements of the related variable rate debt and net swap payments for the Airport's cash flow hedges (1998, 1999, and 2009A Swap Agreements), assuming current interest rates remain the same, for their terms, were as follows ($ in thousands):

	Principal	Interest	Interest rate swaps net	Total
Year:				
2022	11,200	154	1,807	13,161
2023	-	102	-	102
2024	-	102	-	102
2025	-	102	-	102
2026	3,395	102	-	3,497
2027-2031	18,245	261	-	18,506
Total	$ 32,840	$ 823	$ 1,807	$ 35,470

*Note: the amortization of the notional amounts on the swaps no longer match the amortization on the bonds (the duration of the bonds is longer than the swaps)

Bond principal reflects the hedged portion on 12/31/2021

Variable Rate Bonds and Swap payments are calculated using rates in effect on December 31, 2021.

(11) Denver International Airport Special Facility Revenue Bonds

To finance the acquisition and construction of various facilities at the Airport, the City issued three series of Special Facility Revenue Bonds. These bonds are special limited obligations of the City, payable and secured by a pledge of certain revenues to be received from lease agreements for these facilities. The bonds do not constitute a debt or pledge of the full faith and credit of the City or the Airport, and accordingly, have not been reported in the accompanying financial statements. In October 2017, the City issued Special Facility Revenue Bonds (Series 2017) on a current refunding of the Special Facilities Airport Revenue Bonds (Series 2007A). The Series 2017 proceeds were used to pay off the outstanding balance of the Series 2007A series and closing costs. At June 30, 2022 and December 31, 2021, Special Facility Revenue Bonds outstanding totaled to $250.6 million.

(12) Pension Plan

Substantially all of the Airport's employees are covered under the City and County of Denver's pension plan, the Denver Employees' Retirement Plan (DERP). The net pension liability is calculated annually, based on the measurement date, for the citywide financial statements and is allocated to the Airport as of the end of the fiscal year. The most recent period presented in this disclosure is as of December 31, 2021 and will be updated at December 31, 2022.

Plan Description – The Denver Employees' Retirement Plan (DERP) administers a cost-sharing multiple-employer defined benefit plan to eligible members. DERP is administered by the DERP Retirement Board in accordance with Sections 18- 401 through 18-430.7 of the City's Revised Municipal Code. Amendments to the plan are made by ordinance. These code sections establish the plan, provide complete information on DERP, and vests the authority for the benefit and contribution provisions with the City Council. The DERP Retirement Board acts as the trustee of the Plan's assets.

The Plan provides retirement, death and disability benefits for its members and their beneficiaries. Members who were hired before September 1, 2004, and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.0% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired after September 1, 2004, the formula multiplier was reduced to 1.5%. Final average salary is based on the member's highest salary during a 36 consecutive month period of credited service. Members with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired on or after July 1, 2011, they must be age 60 and have combined credited service of at least 85 in order to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a 60 consecutive month period of credited service. Five-year vesting is required of all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost of living adjustments are granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the plan's Board, and enacted into ordinance by Denver City Council.

The Plan is accounted for using the economic resources measurement focus and the accrual basis of accounting. DERP issues a publicly available annual comprehensive financial report that can be obtained at https://www.derp.org/

Funding Policy – For 2020 and 2019, the City contributed 15.75% and 13.0%, respectively, of covered payroll and employees made a pre-tax contribution of 9.25% and 8.5%, respectively, in accordance with Section 18-407 of the Revised Municipal Code of the City. The City's contributions to DERP for the years ended December 31, 2021 and 2020, were $102.3 million and $95.6 million, respectively, which equaled the required contributions. The Airport's share of the total contributions is $14.5 million and $13.9 million for the years ended December 31, 2021 and 2020 respectively.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2021 and 2020, the Airport reported a liability of $187.8 million and $199.9 million, respectively, for its proportionate share of the net pension liability related to DERP. The net pension liabilities were measured as of December 31, 2020 and 2019, respectively, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of those respective dates. Member census data for the year preceding the measurement period was used in developing each actuarial valuation. Standard actuarial roll forward techniques were then used to project the total pension liability to the measurement date. The Airport's proportion of the net pension liability was based on contributions to DERP relative to the total contributions of participating employers to DERP.

At December 31, 2020, the Airport's proportion was 12.06361%, which was a decrease of 1.672430% from its proportion measured as of December 31, 2019. At December 31, 2019, the Airport's proportion was 13.73604%, which was an increase of 1.01011% from its proportion measured as of December 31, 2018.

The components of the Airport's net pension liability related to DERP as of December 31, 2021 and 2020, respectively, are presented below ($ in thousands):

	2021	2020
Total pension liability	$ 473,283	$ 510,104
Plan fiduciary net position	(285,507)	(310,226)
Net pension liability	$ 187,776	$ 199,878

The change in net pension liability for the year ended December 31, 2021 was ($ in thousands):

Beginning balance	Additions	Reductions	Ending balance
$ 199,878	$ 39,522	$ (51,624)	$ 187,776

The change in net pension liability for the year ended December 31, 2020 was ($ in thousands):

Beginning balance	Additions	Reductions	Ending balance
$ 191,995	$ 48,122	$ (40,239)	$ 199,878

For the years ended December 31, 2021 and 2020, pension expense recognized by the Airport was $21.4 million and $33.1 million, respectively. At December 31, 2021, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources ($ in thousands):

Sources:	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	$ 4,042	$ -
Changes of assumptions or other inputs	8,863	-
Net difference between projected and actual earnings on pension plan investments	-	3,267
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,500	15,529
Contributions subsequent to the measurement date	13,778	-
Total	$ 32,183	$ 18,796

At December 31, 2020, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources ($ in thousands):

Sources:	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	$ 6,289	$ -
Changes of assumptions or other inputs	6,248	-
Net difference between projected and actual earnings on pension plan investments	-	3,660
Changes in proportion and differences between contributions recognized and proportionate share of contributions	12,095	1,033
Contributions subsequent to the measurement date	13,133	-
Total	$ 37,765	$ 4,693

At December 31, 2021 and 2020, the Airport reported $13.8 million and $13.1 million, respectively, as deferred outflows of resources related to pensions resulting from Airport contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the following year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented below ($ in thousands):

Year:	Deferred inflows/ outflows of resources
2022	$ 4,250
2023	(780)
2024	(3,531)
2025	(330)
2026	-
Thereafter	-
Total	$ (391)

The total pension liability in the December 31, 2020 and 2019 actuarial valuations were determined using the actuarial assumptions as follows:

2020	DERP
Investment rate of return	7.25%
Salary increases	3.00% to 7.00%
Inflation	2.50%

2019	DERP
Investment rate of return	7.50%
Salary increases	3.00% to 7.00%
Inflation	2.50%

Mortality rates were based on the Adjusted RP-2014 Mortality Tables, with general projections using Ultimate MP Scale (changed in 2018 from RP-2000 Combined Mortality Projected with Scale AA to 2020). The latest experience study was conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary(s).

For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2020 and 2019 these best estimates are summarized in the following table:

2020		
Asset class	**Target allocation**	**Long-term expected real rate of return**
US equity	**22.00%**	
Large cap	18.00%	7.20%
Small cap	4.00%	7.90%
International equity	**22.00%**	
Developed markets	14.00%	7.90%
Emerging markets	8.00%	9.10%
Fixed income	**25.50%**	
Core fixed income	17.00%	2.60%
Private debt	4.00%	6.20%
Distress debt	2.50%	7.00%
Emerging market debt	2.00%	4.80%
Real estate	**8.00%**	7.50%
Absolute return	**5.00%**	4.90%
MLP	**5.00%**	8.50%
Alternatives	**12.50%**	
Private equity	7.00%	9.40%
Natural resources	5.50%	8.80%
Total	**100.00%**	

2019		
Asset class	**Target allocation**	**Long-term expected real rate of return**
US equity	**21.00%**	
Large cap	17.00%	5.50%
Small cap	4.00%	5.70%
International equity	**21.00%**	
Developed markets	13.00%	5.90%
Emerging markets	8.00%	7.80%
Fixed income	**25.50%**	
Core fixed income	17.00%	0.80%
Private debt	4.00%	4.10%
Distress debt	2.50%	4.70%
Emerging market debt	2.00%	2.70%
Real estate	**8.00%**	4.40%
Absolute return	**5.00%**	2.80%
MLP	**7.00%**	6.40%
Alternatives	**12.50%**	
Private equity	7.00%	7.50%
Natural resources	5.50%	6.90%
Total	**100.00%**	

Discount Rate - A single discount rate of 7.25% and 7.50% was used to measure the total pension liability at December 31, 2020 and 2019, respectively. This single discount rate was based on the expected rate of return on pension plan investments of 7.25% and 7.50%, respectively. The projection of cash flows used to determine this single rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher ($ in thousands):

2021	**1 % decrease 6.25%**	**Current discount rate 7.25%**	**1% increase 8.25%**
Proportionate share of net pension liability	$ 239,814	$ 187,776	$ 144,116

Pension Plan Fiduciary Net Position: Detailed information about DERP's fiduciary net position is available in DERP's separately issue of financial reports at https://www.derp.org/.

(13) Plan Postemployment Healthcare Benefits under GASB Statement No. 75

The Airport has two Other Postemployment Healthcare Benefit (OPEB) plans: Denver Employees Retirement Plan (DERP) and DERP Implicit Rate Subsidy. The liability associated with these plans is calculated annually, based on the measurement date, for the citywide financial statements and is allocated to the Airport as of the end of the fiscal year as follows:

	2021	2020
DERP OPEB plan net OPEB liability	$ 11,725	$ 13,555
DERP implicit rate subsidy OPEB plan total OPEB liability	11,745	8,061
Total/Net OPEB liability	$ 23,470	$ 21,616

(a) DERP OPEB Plan

DERP OPEB Plan Description - The Denver Employees Retirement Plan (the Plan) administers a cost-sharing multiple-employer defined benefit plan providing pension and postemployment health benefits to eligible members. The Plan was established in 1963 by the City. During 1996, the Denver Health and Hospital Authority (DHHA) was created and joined the Plan as a contractual entity. In 2001, the Plan became closed to new entrants from DHHA. All risks and costs are shared by the City and DHHA. There is a single actuarial evaluation performed annually that covers both the pension and postemployment health benefits. All assets of the Plan are funds held in trust by the Plan for its members for the exclusive purpose of paying pension and postemployment health benefits.

Sections 18-401 through 18-430.7 of the City's Revised Municipal Code should be referred to for complete details of the Plan. DERP issues a publicly available annual comprehensive financial report that can be obtained at https://www.derp.org/.

Benefits Provided - The Plan provides retirement, death, and disability benefits for its members and their beneficiaries. Members who were hired before September 1, 2004 and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.0% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired on or after September 1, 2004, the formula multiplier was reduced to 1.5%. Final average salary is based on the member's highest salary during consecutive 36-month period of credited service. Members with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired on or after July 1, 2011, they must be age 60 and have combined credited service of at least 85 in order to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a consecutive 60-month period of credited service. Five-year vesting is required for all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost-of-living adjustments are granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the Plan's Board, and enacted into ordinance by the Denver City Council.

The health benefits account was established by City Ordinance in 1991 to provide, beginning January 1, 1992, post-employment health care benefits in the form of a premium reduction to retired members, their spouses and dependents, spouses and dependents of decreased active and retired members, and members of the Plan awaiting approval of retirement applications. During 2020, the monthly health insurance premium reduction was $12.50 per year of service for retired participants not yet eligible for Medicare, and $6.25 per year of service for retirees eligible for Medicare. The health insurance premium reduction can be applied to the payment of medical, dental, and/or vision insurance premiums. The benefit recipient pays any remaining portion of the premiums.

Contributions - During 2020 and 2019, the Airport was required to contribute at a rate of 1.28% and 1.34% of annual covered payroll, respectively. The contribution requirements for the Airport are established under the City's Revised Municipal Code. For the year ended December 31, 2021 and 2020, contributions to the DERP OPEB plan were $0.7 and $0.7 million, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At December 31, 2021, the Airport reported a liability of $11.7 million for its proportionate share of the net OPEB liability. The net OPEB liability for DERP was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Airport's proportion of the net OPEB liability was based on contributions to DERP for the calendar year 2020 relative to the total contributions of participating employers to the DERP.

At December 31, 2020, the Airport reported a liability of $13.6 million for its proportionate share of the net OPEB liability. The net OPEB liability for DERP was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The Airport's proportion of the net OPEB liability was based on contributions to DERP for the calendar year 2019 relative to the total contributions of participating employers to the DERP.

At December 31, 2020, the Airport's proportion was 12.080280% percent for OPEB, which was a decrease of 1.702040% from its proportion measured as of December 31, 2018. At December 31, 2019, the Airport's proportion was 13.782320% percent for OPEB, which was an increase of 0.784580% from its proportion measured as of December 31, 2018.

The components of the Airport's proportionate share of the net OPEB liability related to DERP as of December 31, 2021 and 2020 are presented below ($ in thousands):

OPEB plan		**2021**		**2020**
Total OPEB liability	$	20,786	$	23,436
Plan fiduciary net position		(9,061)		(9,881)
Net OPEB liability	$	11,725	$	13,555

For the year ended December 31, 2021 and 2020, the Airport recognized OPEB expense for the DERP plan of ($0.2) million and $0.5 million, respectively.

A summary of the Airport's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2021, is presented below ($ in thousands):

Sources	Deferred outflows of resources	Deferred inflows of resources
OPEB plan:		
Difference between expected and actual experience	$ 24	$ 487
Changes of assumptions or other inputs	654	-
Net difference between projected and actual earnings on OPEB plan investments	-	105
Changes in proportion and differences between contributions recognized and proportionate share of contributions	586	1,409
Contributions subsequent to the measurement date	725	-
Total	$ 1,989	$ 2,001

A summary of the Airport's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2020, is presented below ($ in thousands):

Sources	Deferred outflows of resources	Deferred inflows of resources
OPEB plan:		
Difference between expected and actual experience	$ 47	$ 347
Changes of assumptions or other inputs	593	-
Net difference between projected and actual earnings on OPEB plan investments	-	130
Changes in proportion and differences between contributions recognized and proportionate share of contributions	937	222
Contributions subsequent to the measurement date	726	-
Total	$ 2,303	$ 699

At December 31, 2021 and 2020, the Airport reported $0.7 million as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the following year ended. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as presented below ($ in thousands):

Year	Deferred inflows and outflows of resources
OPEB plan:	
2022	$ (85)
2023	(112)
2024	(531)
2025	(9)
2026	-
Thereafter	-
	$ (737)

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented below:

OPEB plan	DERP
Valuation date	January 1, 2020
Measurement date	December 31, 2020
Experience study	Conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017
Actuarial method	Entry age method. Credit method.
Long-term investment rate of return	7.25%
Discount rate	7.25%
Projected salary increases	3.00%
Inflation	2.50%
Mortality	Adjusted RP-2014 Mortality Tables, with generational projections using Ultimate MP Scale

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented below:

OPEB plan	DERP
Valuation date	January 1, 2019
Measurement date	December 31, 2019
Experience study	Conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017
Actuarial method	Entry age normal
Long-term investment rate of return	7.50%
Discount rate	7.50%
Projected salary increases	3.00%
Inflation	2.50%
Mortality	Adjusted RP-2014 Mortality Tables, with generational projections using Ultimate MP Scale

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized below as of December 31, 2020 and 2019:

2020		
Asset class	**Target allocation**	**Long-term expected real rate of return**
US equity	**22.00%**	
Large cap	18.00%	7.20%
Small cap	4.00%	7.90%
International equity	**22.00%**	
Developed markets	14.00%	7.90%
Emerging markets	8.00%	9.10%
Fixed income	**25.50%**	
Core fixed income	17.00%	2.60%
Private debt	4.00%	6.20%
Distress debt	2.50%	7.00%
Emerging market debt	2.00%	4.80%
Real estate	**8.00%**	7.50%
Absolute return	**5.00%**	4.90%
MLP	**5.00%**	8.50%
Alternatives	**12.50%**	
Private equity	7.00%	9.40%
Natural resources	5.50%	8.80%
Total	**100.00%**	

2019		
Asset class	**Target allocation**	**Long-term expected real rate of return**
US equity	**21.00%**	
Large cap	17.00%	5.50%
Small cap	4.00%	5.70%
International equity	**21.00%**	
Developed markets	13.00%	5.90%
Emerging markets	8.00%	7.80%
Fixed income	**25.50%**	
Core fixed income	17.00%	0.80%
Private debt	4.00%	4.10%
Distress debt	2.50%	4.70%
Emerging market debt	2.00%	2.70%
Real estate	**8.00%**	4.40%
Absolute return	**5.00%**	2.80%
MLP	**7.00%**	6.40%
Alternatives	**12.50%**	
Private equity	7.00%	7.50%
Natural resources	5.50%	6.90%
Total	**100.00%**	

Discount Rate - At December 31, 2021 and 2020, a single discount rate of 7.25% and 7.50%, respectively, was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.25% and 7.50%. The projection of cash flows used to determine this single rate assumed that plan member and employer contributions will be made at the current contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Airport's proportionate share of the net OPEB liability to changes in the Discount Rate - Below presents the net OPEB liability as of December 31, 2021 and 2020 using the current discount rate applicable to the DERP benefit structure, as well as if it were calculated using a discount rate that is one percentage point lower or one percentage point higher ($ in thousands):

2021	**1% decrease**	**Current discount rate**	**1% increase**
DERP OPEB plan			
Discount rate	6.25%	7.25%	8.25%
Proportionate share of net liability	$ 13,809	$ 11,725	$ 9,957

2020	**1% decrease**	**Current discount rate**	**1% increase**
DERP OPEB plan			
Discount rate	6.50%	7.50%	8.50%
Proportionate share of net liability	$ 15,864	$ 13,555	$ 11,592

As the Plan is paid at a fixed dollar value, there is not an actuarially adjusted value for healthcare costs and thus Health Cost Trend Rates are not applicable to this Plan.

OPEB Plan Fiduciary Net Position - Detailed information about the DERP's fiduciary net position is available in DERP's comprehensive annual financial report which can be obtained at https://www.derp.org/.

(b) DERP Implicit Rate Subsidy OPEB Plan

DERP Implicit Subsidy Plan Description - The City acts in a single-employer capacity by providing health insurance to eligible Career Service retirees and their qualified dependents through the City's group insurance plans. The claims experience of active employees and pre-Medicare retirees is co-mingled in setting premium rates for the plans in which City employees and retirees participate. To be eligible, a retiree must be a minimum of 55 years of age if hired prior to July 1, 2011, and a minimum of 60 years of age if hired after July 1, 2011, with 5 years of service and have begun receiving their pension benefit. Coverage ceases when one reaches Medicate age.

Benefit Payments – DERP retirees are responsible for 100.00% of the blended premium rate. The Airport's required contribution toward the implicit rate subsidy is based on a pay-as-you-go financing. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay benefits. For the year ended, December 31, 2021 and 2020, benefit payments were $0.9 million and $0.6 million, respectively.

Participation Rate DERP Implicit Subsidy Plan - As authorized by section 18-412 of the City's Revised Municipal Code, DERP retirees are allowed to participate in the health insurance programs offered to active employees.

Participating active employees: 50% of active DERP employees currently covered in the City's medical plans are assumed to continue their current medical plan election in retirement.

Actives not currently participating: 25% of active DERP employees not currently covered by a City healthcare plan are assumed to elect coverage in the Kaiser DHMO plan at or before retirement.

Vested terminated employees: 40% of vested terminated employees with 16 or more years of City/County service are assumed to elect coverage in the Kaiser DHMO plan when they retire and begin their pension benefits.

Retired participants: Existing medical plan elections are assumed to be continued through retirement until the earlier of the retiree's death or the date he or she becomes eligible for Medicare.

Spouse Coverage

Active participants: 25% of those assumed to elect coverage in retirement are assumed to be married participants electing coverage for their spouse until their death. Husbands are assumed to be three years older than their wives.

Retired participants: Existing elections for spouse coverage are assumed to be maintained through retirement. Actual spouse information is used where available; otherwise the assumptions for spouses of active employees are applied.

The Patient Protection and Affordable Care Act (ACA) included a 40% excise tax on the value of high-cost employer sponsored health coverage exceeding certain thresholds ("Cadillac Plans"). The tax applied to the aggregate annual cost of any employee's applicable coverage that exceeds a dollar limit. Implementation of this tax had been delayed by subsequent legislation to 2022. This excise tax was repealed by Senate Amendment to H.R. 1865, Further Consolidate Appropriations Act, 2020, and signed by the President on December 20, 2019. Although this change occurred after the valuation date and measurement date, the City changed our assumptions, now assuming the City will longer bear any such excise tax liability.

Employees covered by benefit terms at December 31, 2020 and December 31, 2019, the date of the latest actuarial valuations:

	2020	2019
Inactive employees currently receiving benefit payments	1,086	1,124
Inactive employees entitled to but not yet receiving benefit payments	264	306
Active employees	8,586	8,755
Total	9,936	10,185

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - The Airport's proportionate share is determined by the Airport's contributions for the measurement period divided by total contributions of all employer entities for the measurement period. The Airport's proportionate share of the implicit rate subsidy total OPEB liability related to DERP as of December 31, 2021 and 2020 are as follows ($ in thousands):

Implicit rate subsidy	**2021**	**2020**
Total OPEB liability	$ 11,745	$ 8,061

For the year ended December 31, 2021, the Airport recognized OPEB expense of $0.3 million for the implicit rate subsidy. A summary of the Airport's deferred outflows of resources and deferred inflow of resources related to OPEB as of December 31, 2021 is presented below ($ in thousands):

Sources	**Deferred outflows of resources**	**Deferred inflows of resources**
Implicit rate subsidy:		
Difference between expected and actual experience	$ 52	$ 719
Changes of assumptions - future economic or demographic factors	2,356	-
Changes in proportion	2,423	720
Benefit payments subsequent to the measurement date	865	-
Total	$ 5,696	$ 1,439

For the year ended December 31, 2020, the Airport recognized OPEB expense of $0.6 million for the implicit rate subsidy. A summary of the Airport's deferred outflows of resources and deferred inflow of resources related to OPEB as of December 31, 2020 is presented below ($ in thousands):

Sources	Deferred outflows of resources	Deferred inflows of resources
Implicit rate subsidy:		
Difference between expected and actual experience	$ 44	$ -
Changes of assumptions - future economic or demographic factors	851	-
Changes in proportion	52	622
Benefit payments subsequent to the measurement date	590	-
Total	$ 1,537	$ 622

As of December 31, 2021 and 2020, the $0.9 million and $0.6 million, respectively, reported as deferred outflows of resources related to the implicit rate subsidy, resulting from benefit payments subsequent to the measurement date, will be recognized as a reduction of the total implicit rate subsidy OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of recourses and deferred inflows of resources related to OPEB for the implicit rate subsidy will be recognized as presented below ($ in thousands):

Year	Deferred inflows and outflows of resources
Implicit rate subsidy:	
2022	463
2023	463
2024	463
2025	463
2026	479
Thereafter	1,061
	$ 3,392

The implicit rate subsidy liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented below:

Implicit rate subsidy	DERP
Valuation date	December 31, 2019
Measurement date	December 31, 2020
Actuarial method	Entry age normal
Asset valuation method	Market value of assets
Discount rate	2.12% as of December 31, 2020 2.74% as of December 31, 2019
Participants valued	Only current active employees under age 65, non-Medicare retired participants and covered spouses are valued. No future entrants are considered in this valuation
Projected salary increases	3.00% per year
Inflation	2.50%
Mortality	DERP 2021 actuarial valuation projected with MW Scale 2022
Healthcare cost trend rates	5.8% in 2023, fluctuating down to 3.9% by 2076
Medicare eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicate Parts A and B at age 65.
Demographic assumptions	Based on the 2018 experience study of the Denver Employee Retirement Plan using data from the five-year period ending December 31, 2017, except for a different basis used to project future mortality improvement.

The implicit rate subsidy liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented below:

Implicit rate subsidy	DERP
Valuation date	December 31, 2018
Measurement date	December 31, 2019
Actuarial method	Entry age normal
Asset valuation method	Market value of assets
Discount rate	2.74% as of December 31, 2019 4.11% as of December 31, 2018
Participants valued	Only current active employees under age 65, non-medicare retired participants and covered spouses are valued. No future entrants are considered in this valuation
Projected salary increases	3.00% per year
Inflation	2.50%
Mortality	DERP 2016 actuarial valuation projected with MW Scale 2018
Healthcare cost trend rates	Medical plan premiums and claims costs by are assumed to 6.5% in 2022 and fluctuates until the ultimate rate of 4% in 2076
Medicare eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicate Parts A and B at age 65.
Demographic assumptions	Based on most recent (January 2016) actuarial valuation of the Denver Employees Retirement Plan, except for a different basis used to project future mortality improvements (rates of retirement, termination, disability and mortality).

Discount Rate - When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). As such, a 2.12% and 2.74% discount were used to measure the implicit rate liability as, of December 31, 2020 and 2019, based on the published rates of the applicable municipal bond index.

Sensitivity of the Airport's Proportionate Share of the Implicit Rate Subsidy OPEB Total Liability to Changes in the Discount Rate - Below presents total OPEB liability as of December 31, 2021 and 2020 using the discount rate applicable to the DERP benefit structure, as well as if it were calculated using a discount rate that is one percentage point lower or one percentage point higher ($ in thousands):

2021	**1% decrease**	**Current discount rate**	**1% increase**
Implicit rate subsidy:			
Discount rate	1.12%	2.12%	3.12%
Proportionate share of total liability	$ 12,792	$ 11,745	$ 10,811

2020	**1% decrease**	**Current discount rate**	**1% increase**
Implicit rate subsidy:			
Discount rate	1.74%	2.74%	3.74%
Proportionate share of total liability	$ 8,717	$ 8,061	$ 7,469

Sensitivity of the total implicit rate subsidy OPEB liability to changes in the healthcare cost trend rates as of December 31, 2021 and 2020 presented below ($ in thousands):

2021			
Change in healthcare cost trend rates:	**1% decrease**	**Current trend rate**	**1% increase**
Total OPEB liability	$ 10,665	$ 11,745	$ 13,011

2020	**1% decrease**	**Current trend rate**	**1% increase**
Change in healthcare cost trend rates:			
Total OPEB liability	$ 7,401	$ 8,061	$ 8,821

(14) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Plan's publicly available financial report can be obtained by contacting the City of Denver Controller's Office at 201 West Colfax Avenue, Department 1109, Denver, Colorado, 80202.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) held in trust by the City for the exclusive benefit of the participants and their beneficiaries. It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The City can at any time elect to amend, modify, or terminate the Plan. However, notice must be given to all participants at least 45 days prior to the effective date of an amendment. No amendments will deprive the participants of any benefits they were entitled to prior to the change. If the Plan is terminated, all amounts then credited to the participants are to be paid out by the administrators under the normal withdrawal requirements and procedures.

(15) Commitments and Contingencies

(a) Commitments

As of June 30, 2022, the Airport had remaining construction project contract capacity totaling $2.5 billion, of which $0.7 billion has been encumbered but not yet incurred, with the remaining $1.8 billion expected to be committed and incurred to complete current approved capital projects.

(b) Noise Violation

The City and Adams County entered into an intergovernmental agreement for the Airport dated April 21, 1988 (the Intergovernmental Agreement). The Intergovernmental Agreement establishes maximum levels of noise that should not be exceeded on an average annual basis at various grid points surrounding the Airport. Penalties must be paid to Adams County when these maximums are exceeded.

Currently, the Airport has not received any notices for any penalties for 2021 and 2020. On August 27, 2020, the City received notices of violations for 2019. The Airport is reviewing these notices but has not made any determination of their validity. As of June 30, 2022 and December 31, 2021, the Airport had claim litigation reserves of $28.1 million and $27.1 million for the penalties and estimated interest for the 2017-2019 noise violations.

(c) Claims and Litigation

On July 2, 2018, the Board of County Commissioners of Adams County filed a civil complaint against the City, related to the Airport, in the Jefferson County District Court of Colorado (the “Court”), which was amended on July 20, 2018 to include the City of Aurora and the City of Brighton as plaintiffs (as amended, the “Complaint”). The Complaint sought, among other things, a declaration from the Court that the City is in breach of the 1988 Adams County Intergovernmental Agreement (the “IGA”) as a result of the City’s continued use of noise modeling system known as ARTSMAP, which the plaintiffs alleged is not sufficient to measure compliance with certain noise standards (the “Noise Standards”) agreed to under the IGA. The Complaint also alleged between 93 and 108 Class II violations of Noise Standards in 2014 through 2016 that remained uncured in the succeeding calendar year and sought (i) a mandatory Court order requiring the City to implement reasonable, non-discriminatory rules and regulations concerning Airport operations to achieve and maintain compliance with the Noise Standards and (ii) if the Court does not make such order, an award of liquidated damages of $500,000 for each Class II violation that occurred during 2014, 2015 and 2016 that remained uncured in the succeeding calendar year. On June 19, 2020, the Court issued a ruling (the “Ruling”) (i) finding, among other things, that the use of ARTSMAP system does not comply with the IGA and (ii) awarding plaintiffs liquidated damages in the amount of $500,000 for each of the 67 uncured Class II violations for 2014, 2015, and 2016 for a total amount of $33.5 million plus interest. On September 1, 2020, the Court ruled on the method of calculating interest for each violation.

On October 16, 2020, the City filed a notice of appeal with the Colorado Court of Appeals (the "Appellate Court") appealing the Ruling and on March 3, 2022, the Court issued a decision affirming the Appellate Court Ruling and the method of calculating interest. On April 12, 2022, the City filed a petition for certiorari with the Colorado State Supreme Court and asked the court to clarify certain rulings of the Appellate Court, including the method of calculating interest. The Supreme Court has taken no action on the petition as of the date of this disclosure.

As of June 30, 2022 and December 31, 2021, the outstanding amount due to plaintiffs for 67 uncured Class II violations for 2014, 2015, and 2016, including interest, was $55.5 million and $53.4 million, respectively. To the extent the City ultimately is obligated to pay amounts ordered by the Court, or additional amounts claimed by Adams County for violations occurred in years 2017-2019 discussed in noted 15(c) to the financial statements, the City currently expects to fund these payments from the Airport unrestricted Capital Fund.

Under the Ruling, the City may be required to make changes in its noise monitoring program and may need to make changes to the operations of the Airport and flight procedures that could materially adversely affect Net Revenues.

(d) Denver International Assets under Operating Leases

The Airport leases portions of its buildings and improvements to airline and concession tenants under non-cancelable operating leases. Lease terms vary from 1 to 30 years. The operating leases with the concession tenants require rental payments equal to the greater of a fixed minimum amount per square foot or percentage of gross receipts. Under the 2020 COVID-19 Relief Policy, the monthly minimum annual guaranteed payments for certain concessions leases were waived for March 2020 through December 2021.

Minimum future rentals due from concession tenants are as follows for the years ending December 31, 2021 ($ in thousands):

2022	$ 54,606
2023	54,236
2024	53,066
2025	36,632
2026	31,566
2027-2031	57,964
2032-2036	6,644
Total	$ 294,714

Effective January 1, 2021, the Airport implemented relief policies (2021 COVID-19 Relief Policies) for revenue contracts providing certain fee waivers. For the concessionaires and rental car companies, the minimum annual guarantees, contractually due on a monthly basis, were waived for the year 2021. Accordingly, the future minimum rentals due from concession tenants for 2021 is $0. The concessionaires under these policies are required to pay contractually determined percentage rents monthly based on their concession sales and/or services activity during 2021. The minimum annual guarantees under operating leases for 2021 and 2020 was $14.6 million and $33.0 million, respectively.

The United Use and Lease agreement provides that it can be terminated by the airline if the airline's cost per enplaned passenger exceeds $20 in 1990 dollars. Current costs per enplaned passenger did not approach this limit for 2021. Rental rates for airlines are established under a ratemaking methodology whereby a compensatory method is used to set terminal rental rates and a residual method is used to set landing fees. Rentals, fees, and charges must generate gross revenues together with other available funds sufficient to meet the rate maintenance covenant per the Bond Ordinance.

(e) Federal Grants

Under the terms of the federal grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The Airport management believes disallowances, if any, will be immaterial to its financial position and activities of the Airport.

(16) Insurance

The Department of Aviation is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Department of Aviation has purchased commercial insurance for various risks.

Employees of the City and County of Denver (including all Department of Aviation employees) are covered by the City's insurance policies. Effective October 1, 1989, the City established a workers' compensation self-insurance trust in accordance with state statutes, to be held for the benefit of the City's employees.

The City's Workers' Compensation Internal Service Fund compensates City employees, or their eligible dependents, for injuries as authorized by the State Workers' Compensation law or City ordinances. The administrators of the fund provide safety training and enhancement programs, in addition to maintaining in-house records of claims.

The Airport utilizes Rolling Owner Controlled Insurance Programs (ROCIP) for selected Capital Improvement Projects. In 2017, ROCIP3 was established for selected Capital Improvement Projects from 2017-2022 and extended to 2023 for all projects excluding the terminal renovation which was extended to 2024. In 2022, ROCIP4 was established for selected Capital Improvement Projects from 2022-2027. Combined ROCIP program experience has generated cost savings to the Department of Aviation.

(17) Significant Concentration of Credit Risk

The Airport derives a substantial portion of its operating revenue from facility rental fees and airline landing fees (airline operating revenue). For the six months ended June 30, 2022 and the year ended December 31, 2021, the United Airlines group represented approximately 46.3% and 43.9% of the Airport's airline operating revenue, respectively. Southwest Airlines represented 24.2% and 25.2% for the same periods, respectively. No other airline represented more than 10% of the Airport's airline operating revenue. The Airport requires performance bonds or other financial instruments to support airlines and concession accounts receivables.

(18) Subsequent Events

(a) Series 2022A and Series 2022B Bonds

On July 19, 2022, the Airport issued senior lien Airport System Revenue Bonds Series 2022A (AMT) (Series 2022A) and Airport System Revenue Bonds Series 2022B (non-AMT) (Series 2022B) in the aggregate principal amounts of $1.5 billion and $175.6 million, respectively. The proceeds of the Series 2022A and Series 2022B Bonds will be used to redeem and pay the 2021 Interim Note, to pay a portion of the costs of the Airport's 2018 – 2022 Capital Program, to make deposits to the Bond Reserve Fund and Capitalized Interest Subaccount, and to pay costs of issuance for Series 2022A and Series 2022B Bonds. Both series were issued at premium, bear interest at various fixed rates, and are subject to redemption prior to maturity.

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

THIS CONTINUING DISCLOSURE UNDERTAKING (this "**Disclosure Undertaking**") is executed and delivered by the CITY AND COUNTY OF DENVER, COLORADO (the "**City**"), in connection with the issuance of the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2022C" in the aggregate principal amount of $349,180,000 (the "**Series 2022C Bonds**") and the "City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2022D" in the aggregate principal amount of $817,810,000 (the "**Series 2022D Bonds**" and together with the Series 2022C Bonds, the "Bonds") by the City, for and on behalf of its Department of Aviation (the "**Department**"). The Bonds are being issued pursuant to the General Bond Ordinance effective November 29, 1984, as amended and restated in its entirety pursuant to the provisions of the 2018 Amended and Restated Airport System General Bond Ordinance, enacted as Ordinance No. 0777, Series of 2018, and Ordinance No. 0569, Series of 2022, adopted by the City Council of the City (collectively, the "**Senior Bond Ordinance**").

In consideration of the purchase of the Bonds by the Participating Underwriters (as defined below), the City covenants and agrees as follows:

Section 1. Definitions. The definitions set forth in the Senior Bond Ordinance apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section. As used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

"*Annual Financial Information*" means (a) with respect to the City, the financial information or operating data with respect to the City and the Airport System, delivered at least annually pursuant to Section 2 hereof, substantially similar to the type set forth in the Official Statement as described in Schedule 1 hereto and (b) with respect to each Obligated Person other than the City, the SEC Reports, provided that if such Obligated Person is no longer required to file the SEC Reports, information substantially equivalent to that required to be contained in the SEC Reports. Annual Financial Information may, but is not required to, include Audited Financial Statements and may be provided in any format deemed convenient by the City.

"*Audited Financial Statements*" means the annual financial statements for the Airport System, prepared in accordance with generally accepted accounting principles as in effect from time to time, audited by a firm of certified public accountants.

"*Bondowner*" or "*Owner of the Bonds*" means the registered owner of the Bonds, and so long as the Bonds are required to be registered through the Securities Depository in accordance with the Senior Bond Ordinance, any beneficial owner of Bonds on the records of said Securities Depository or its participants, or any person who, through any contract, arrangement or otherwise, has or shares investment power with respect to the Bonds, which includes the power to dispose, or direct the disposition, of the Bonds identified to the satisfaction of the City.

"*Commission*" means the Securities and Exchange Commission.

"*Event*" or "*Events*" means any of the events listed in Sections 3(a) and 3(b) of this Disclosure Undertaking.

"*Financial Obligation*" means (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the United States Securities and Exchange Commission to receive reports pursuant to Rule 15c2-12. Until otherwise designated by the MSRB or the Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) system of the MSRB available on the Internet at http://emma.msrb.org. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314; telephone (703) 797-6600; fax (703) 797-6700.

"*Obligated Person*" means the City, for and on behalf of the Department, and each airline or other entity using the Airport System under a lease or use agreement extending for more than one year from the date in question and including bond debt service as part of the calculation of rates and charges, under which lease or use agreement such airline or other entity has paid amounts equal to at least 20% of Gross Revenues of the Airport System for each of the prior two Fiscal Years of the City.

"*Official Statement*" means the final Official Statement dated November 3, 2022, together with any supplements thereto prior to the date the Bonds are issued, delivered in connection with the original issue and sale of the Bonds.

"*Participating Underwriters*" has the meaning given thereto under the Rule, or any successors to such Underwriters known to the Treasurer.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*SEC Reports*" means reports and other information required to be filed pursuant to Sections 13(a), 14 or 15(d) of the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Treasurer*" means the Manager of Finance of the City's Department of Finance, Chief Financial Officer, ex officio Treasurer of the City, or his or her designee, and successor in functions, if any.

Section 2. Provision of Annual Financial Information.

(a) Commencing with respect to the Fiscal Year ended December 31, 2022, and each Fiscal Year thereafter while the Bonds remain outstanding under the Senior Bond Ordinance, the Treasurer shall provide or cause to be provided to the MSRB, Annual Financial Information and Audited Financial Statements with respect to the City and the Airport System. No such provision of any Annual Financial Information shall be deemed an official act of the City without the approval of the Treasurer.

(b) Such Annual Financial Information with respect to the Airport System shall be provided not later than 270 days after the end of each Fiscal Year. If not provided as a part of the Annual Financial Information, the Audited Financial Statements with respect to the Airport System will be provided when available, but in no event later than 270 days after the end of each Fiscal Year.

(c) The Treasurer may provide or cause to be provided Annual Financial Information and Audited Financial Statements with respect to the City and the Airport System by specific cross-reference to other documents which have been submitted to the MSRB or other repositories in accordance with the

Rule or filed with the Commission. If the document so referenced is a final official statement within the meaning of the Rule such final official statement must be available from the MSRB. The Treasurer shall clearly identify each such other document provided by cross reference.

Section 3. Reporting of Events.

(a) At any time the Bonds are outstanding, in a timely manner not in excess of ten (10) business days after the occurrence of an event, the Treasurer shall provide or cause to be provided to the MSRB notice of any of the following events with respect to the Bonds:

(1) principal and interest payment delinquencies;

(2) unscheduled draws on debt service reserves reflecting financial difficulties;

(3) unscheduled draws on credit enhancements reflecting financial difficulties;

(4) substitution of credit or liquidity providers, or their failure to perform;

(5) Adverse tax opinions, 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 Bonds, or other material events affecting the tax status of the Bonds;

(6) defeasances;

(7) rating changes;

(8) tender offers;

(9) bankruptcy, insolvency, receivership, or similar event of the Obligated Person; and

(10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

For the purposes of the event identified in paragraph (3)(a)(9) hereof, the event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for an 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 governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) 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.

(b) At any time the Bonds are outstanding, in a timely manner not in excess of ten (10) business days after the occurrence of an event, the Treasurer shall provide or cause to be provided to the MSRB notice of any of the following events with respect to the Bonds, if material:

(1) non-payment related defaults;

(2) modifications to the rights of the beneficial owners of the Bonds;

(3) bond calls;

(4) release, substitution or sale of property securing repayment of the Bonds;

(5) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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;

(6) appointment of a successor or additional trustee or a change in the name of a trustee; and

(7) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders.

Whenever the Treasurer obtains knowledge of the occurrence of an event specified in paragraph 3(b), the Treasurer shall as soon as possible determine if such event would constitute material information for owners of Bonds. If the Treasurer determines that such event would constitute material information for owners of Bonds, then the Treasurer shall provide or cause to be provided to the MSRB in accordance with the terms of this paragraph 3(b) notice of such event.

(c) At any time the Bonds are outstanding under the Senior Bond Ordinance, the Treasurer shall provide or cause to be provided, in a timely manner after the occurrence thereof, to the MSRB, notice of any failure of the City to timely provide the Annual Financial Information and Audited Financial Statements as specified in Section 2 hereof. No such notice shall be deemed an official notice from the City without the approval of the Treasurer.

Section 4. Term. This Disclosure Undertaking shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (a) the date all principal and interest on the Bonds shall have been deemed paid pursuant to the terms of the Senior Bond Ordinance; (b) the date that the City or the Department shall no longer constitute an "Obligated Person" with respect to the Bonds within the meaning of the Rule; and (c) the date on which those portions of the Rule which require this Disclosure Undertaking are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds, which determination shall be evidenced by an Attorney's Opinion selected by the City, a copy of which opinion shall be given to the representative of the Participating Underwriters. The Treasurer shall file or cause to be filed a notice of any such termination with the MSRB.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, (a) if such amendment occurs prior to the actual original issuance and delivery of the Bonds and the Participating Underwriters consent thereto, (b) if such amendment is consented to by the owners of no less than a majority in aggregate principal amount of the Bonds obtained in the manner prescribed by the Senior Bond Ordinance, or (c) if such amendment or waiver is otherwise required by the Rule or permitted by the Rule without Bondowner consent. Written notice of any such amendment or waiver shall be provided by the Treasurer to the MSRB, and the Annual Financial

Information shall explain the reasons for the amendment and the impact of any change in the type of information being provided.

Section 6. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Disclosure Undertaking; provided that the City shall not be required to do so. No such information shall be deemed an official notice from the City without the approval of the Treasurer. If the City chooses to include any information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or notice or include its disclosure in any future annual filing or notice of occurrence of an Event.

Section 7. Default and Enforcement. If the City or the Treasurer fail to comply with any provision of this Disclosure Undertaking, any Bondowner may take action in the District Court for the Second Judicial District of the State of Colorado to seek specific performance by court order to compel the City or the Treasurer to comply with its obligations under this Disclosure Undertaking; provided that any Bondowner seeking to require compliance with this Disclosure Undertaking shall first provide to the Treasurer at least thirty (30) days' prior written notice of the City's or the Treasurer's failure, giving reasonable details of such failure, following which notice the City and the Treasurer shall have thirty (30) days to comply. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Senior Bond Ordinance or the Bonds, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City or the Treasurer to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 8. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 9. Filing. The filing of Annual Financial Information, Audited Financial Statements, notices of Events or any other notice required by this Disclosure Undertaking shall be effected by sending the filing or notice to the MSRB, in such designated electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

Section 10. Obligated Persons. The City is currently the only Obligated Person. If any future Obligated Person is required by federal law to file SEC Reports with the Commission, the City and the Treasurer take no responsibility for the accuracy or completeness of such SEC Reports or other financial or operating information disseminated by any future Obligated Person. Unless no longer required by the Rule to do so, the City and the Treasurer agree to use their reasonable best efforts to cause any future Obligated Person (to the extent such future Obligated Person is not otherwise required under federal law to file SEC Reports), to disseminate Annual Financial Information as contemplated by Section 2 hereof and notice of certain events related to such Obligated Person as contemplated by Section 3 hereof, substantially equivalent to that contained in the SEC Reports to the MSRB, through EMMA, as contemplated by this Disclosure Undertaking. Any change in Obligated Persons shall be reported by the Treasurer in connection with the Annual Financial Information. The City and the Treasurer have no obligation to file or disseminate any SEC Reports relating to any future Obligated Person.

[Date and Signatures]

Schedule 1

"Annual Financial Information" means the financial information and operating data with respect to the City, the Airport System and any Obligated Person substantially similar to the type set forth in the following portions of the Official Statement (i) fund balances of the Capital Fund under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022C-D BONDS—Capital Fund," (ii) Tables 2-A and 2-B (Capital Program Total Cost) under the heading "CAPITAL PROGRAM," (iii) Tables 3 (History of Enplaned Passengers at the Airport by Traffic Type), 4 (Enplaned Passengers by Airline Type), 5 (Percentage of Enplaned Passengers by Airline), and 6 (Summary of Selected Aviation Activity) under the heading "AVIATION ACTIVITY AND AIRLINES—Aviation Activity," and (iv) Tables 8-A (City and County of Denver Airport System Statement of Revenues, Expenses and Changes in Net Assets), 9 (Outstanding Senior Bonds), 10 (Credit Facility Obligations Related to Senior Bonds), 11 (Outstanding Subordinate Bonds), and 14 (PFC Revenues) under the heading "FINANCIAL INFORMATION."

APPENDIX G

FORM OF OPINION OF BOND COUNSEL

November 15, 2022

City and County of Denver, Colorado
for and on behalf of its Department of Aviation
Wellington E. Webb Municipal Office Building
201 West Colfax Avenue, Dept. 1004
Denver, Colorado 80202

Barclays Capital Inc.
as Representative of the Underwriters

City and County of Denver, Colorado
for and on behalf of its Department of Aviation
Airport System Revenue Bonds
Series 2022C – $349,180,000 (Non-AMT)
Series 2022D – $817,810,000 (AMT)

Ladies and Gentlemen:

We have acted as bond counsel to the City and County of Denver, Colorado (the "City"), in connection with the City's issuance, for and on behalf of its Department of Aviation (the "Department"), of $349,180,000 aggregate principal amount of the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2022C (Non-AMT) (the "Series 2022C Bonds"), $817,810,000 aggregate principal amount of the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Revenue Bonds, Series 2022D (AMT) (the "Series 2022D Bonds" and together with the Series 2022C Bonds, the "Series 2022C-D Bonds"), pursuant to Ordinance No. 0777, Series of 2018, as supplemented and amended by certain supplemental ordinances, including Ordinance No. 0569, Series of 2022, with respect to the Series 2022C-D Bonds (collectively, the "Ordinance"). All capitalized terms used and not defined herein shall have the same meanings set forth in the Ordinance.

The Series 2022C-D Bonds are being issued as fully registered bonds and are dated the date of issuance. The Series 2022C-D Bonds mature, bear interest, are payable and are subject to redemption, prior to maturity, in the manner and upon the terms set forth therein and in the Ordinance.

We have examined the law and such certified proceedings and other instruments as we deem necessary to form an appropriate basis for us to render this opinion, including, without limitation, Article XX of the Colorado Constitution, the Supplemental Public Securities Act, title 11, article 57, part 2, Colorado Revised Statutes, as amended (the "Supplemental Public Securities Act"), the Charter of the City, Ordinance No. 755, Series of 1993, designating the Department as an "enterprise" within the meaning of

Section 20, Article X of the Colorado Constitution, the resolution of the Manager of the Department authorizing, approving, and requesting the issuance of the Series 2022C-D Bonds, a certified transcript of the record of proceedings of the City Council of the City taken preliminary to and in the authorization of the Series 2022C-D Bonds, the forms of the Series 2022C-D Bonds, and certificates of officers of the City (specifically including one or more tax certificates and pricing certificates) and of others delivered in connection with the issuance of the Series 2022C-D Bonds.

We have not been engaged and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering materials relating to the Series 2022C-D Bonds, and we express no opinion herein relating to such matters. As to questions of fact material to our opinion, we have relied upon the representations of the City and other parties contained in the Ordinance, certified proceedings, reports, certificates and other instruments (and have assumed the genuineness of signatures, the legal capacity of all natural persons, the accuracy, completeness and authenticity of original documents and the conformity with original documents of copies submitted to us) without undertaking to verify the same by independent investigation.

Based on the foregoing, it is our opinion that, as of the date hereof and under existing law:

1. The City validly exists as a body corporate and politic and political subdivision of the State of Colorado (the "State"), with the power to adopt the Ordinance and issue the Series 2022C-D Bonds for and on behalf of the Department.

2. The Ordinance has been duly adopted by the City and constitutes a valid and binding obligation of the City, for and on behalf of the Department, enforceable against the City in accordance with its terms.

3. The Series 2022C-D Bonds have been duly authorized, executed and delivered by the City, for and on behalf of the Department, and are valid and binding special obligations of the City, for and on behalf of the Department, payable solely from the sources provided therefor in the Ordinance.

4. The Ordinance creates, pursuant to the home rule powers of the City under Article XX of the Colorado Constitution and the Supplemental Public Securities Act, an irrevocable lien (but not necessarily an exclusive lien) on the Net Revenues of the Airport System for the benefit of the Series 2022C-D Bonds, on a parity with the lien thereon of other Bonds (and any obligations in respect thereof) heretofore or hereafter issued by the City, or by the City, for and on behalf of the Department.

5. The interest on the Series 2022C Bonds is excluded from gross income for federal income tax purposes, and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts and estates. The interest on the Series 2022D Bonds is excluded from gross income for federal income tax purposes, except for any period during which such Series 2022D Bonds are held by a person who is a "substantial user" of the Airport System or a "related person," as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), but is an item of tax preference in calculating the federal alternative minimum tax liability of individuals, trusts and estates. The foregoing opinions assume compliance by the City with certain requirements of the Code that must be met subsequent to the issuance of the Series 2022C-D Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with such requirements of the Code. Failure to comply with such requirements could cause the interest on the Series 2022C-D Bonds to be includable in gross income for federal income tax purposes, or could otherwise adversely affect the foregoing opinions, retroactive to the date of issuance of the Series 2022C-D Bonds. We observe that, for tax years beginning after December 31, 2022, interest on the Series 2022C-D Bonds included in the adjusted financial statement income of

certain corporations is not excluded from the computation of the federal corporate alternative minimum tax. We express no opinion herein regarding other federal tax consequences arising with respect to the Series 2022C-D Bonds.

6. To the extent interest on the Series 2022C-D Bonds is excluded from gross income for federal income tax purposes, such interest is not subject to income taxation by the State. We express no opinion regarding other state or local tax consequences arising with respect to the Series 2022C-D Bonds, including whether interest on the Series 2022C-D Bonds is exempt from taxation under the laws of any jurisdiction other than the State.

It is to be understood that the rights of the owners of the Series 2022C-D Bonds and the enforceability of the Series 2022C-D Bonds and the Ordinance may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted; and may also be subject to and limited by the exercise of judicial discretion, procedural and other defenses based on particular factual circumstances and equitable principles in appropriate cases, to the reasonable exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State, and to the exercise by the United States of powers delegated to it by the United States Constitution; and while certain remedies and other provisions of the Ordinance are subject to the aforesaid exceptions and limitations and, therefore, may not be enforceable in accordance with their respective terms, such unenforceability would not preclude the enforcement of the obligations of the City, for and on behalf of the Department, to pay the principal of, and premium, if any, and interest on, the Series 2022C-D Bonds from the Net Revenues of the Airport System.

We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion. This opinion has been prepared solely for your use and should not be quoted in whole or in part or otherwise be referred to, nor be filed with or furnished to any governmental agency or other person or entity, without the prior written consent of this firm; provided, however, that copies of this opinion may be included in the closing transcripts for the transactions relating to the Series 2022C-D Bonds.

Respectfully submitted,

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CITY AND COUNTY OF DENVER, COLORADO • AIRPORT SYSTEM REVENUE BONDS
SERIES 2022C (NON-AMT) AND SERIES 2022D (AMT)

Mixed Sources
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