

*In the opinion of Bracewell LLP, Tax Counsel, under existing law, (i) interest on the Series 2021B-1 Bonds (as defined below) is excludable from gross income for federal income tax purposes, except for any period during which a Series 2021B-1 Bond is held by a person who is a “substantial user” of the facilities financed with the proceeds of the Series 2021B-1 Bonds or a “related person” of such a “substantial user,” each within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, and as described under “TAX MATTERS” herein, and (ii) interest on the Series 2021B-1 Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining a taxpayer’s alternative minimum tax liability. See “TAX MATTERS” herein for a discussion of the opinion of Tax Counsel.*

**\$219,320,000**

**CITY OF HOUSTON, TEXAS**  
**Airport System Special Facilities Revenue Bonds**  
**(United Airlines, Inc. Terminal Improvement Projects),**  
**Series 2021B-1 (AMT)**

**Date of Interest Accrual: Date of Delivery**

**Due: As shown on the inside cover page hereto**

The City of Houston, Texas Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2021B-1 (AMT) (the “Series 2021B-1 Bonds”) will be issued in fully-registered form in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), and will be available to ultimate purchasers under the book-entry only system maintained by DTC. The Series 2021B-1 Bonds will be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. So long as Cede & Co. is the registered owner of the Series 2021B-1 Bonds, principal of, premium, if any, and interest on the Series 2021B-1 Bonds will be payable by The Bank of New York Mellon Trust Company, National Association, as trustee (the “Trustee”), to DTC, which will in turn remit such payments to its participants for subsequent disbursement to beneficial owners of such Series 2021B-1 Bonds, as more fully described herein. Interest on the Series 2021B-1 Bonds will be payable on each January 15 and July 15, commencing January 15, 2022, until maturity or earlier redemption.

**The Series 2021B-1 Bonds will be subject to redemption prior to maturity as more fully described herein under “THE SERIES 2021B-1 BONDS—Redemption of the Series 2021B-1 Bonds.”**

The Series 2021B-1 Bonds are being issued by the City of Houston, Texas (the “City”) for the purpose of (i) financing the cost of development, construction, and acquisition of the portion of a new multi-terminal baggage handling system, tenant improvements, fixtures, equipment, personnel areas, and related facilities in Terminal C at George Bush Intercontinental Airport/Houston (the “Airport”) and an early baggage storage system building and related fire pump room adjacent to Terminal C, all to be installed by and for use by United Airlines, Inc. (“United”), and (ii) paying related costs of issuance. The new baggage handling system in Terminal C will replace the existing baggage handling system in Terminal C. See “PLAN OF FINANCE AND APPLICATION OF THE SERIES 2021B-1 BOND PROCEEDS” and “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS” herein.

See “INTRODUCTION—Simultaneous Issuance” for a discussion of certain other bonds that the City expects to issue on the date of issuance of the Series 2021B-1 Bonds, the proceeds of which will finance the portion of the multi-terminal baggage handling system located in Terminal E at the Airport.

The Series 2021B-1 Bonds will be secured on a parity with the City’s outstanding Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal Improvement Projects), Series 2011 (AMT) (the “Series 2011 Bonds”), Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2015B-1 (AMT) (the “Series 2015B-1 Bonds”), Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2020B-2 (AMT) (the “Series 2020B-2 Bonds”), and any Additional Bonds or Refunding Bonds (each as defined herein) that may be issued in the future. The improvements located in Terminal B, Terminal C and elsewhere at the Airport that were financed or refinanced by the Series 97/98B Bonds (as defined herein), the Series 2011 Bonds, the Series 2015B-1 Bonds, and the Series 2020B-2 Bonds, the improvements financed by the Series 2021B-1 Bonds, and any improvements that are financed by any additional bonds that may be issued in the future and secured on a parity with the Series 2011 Bonds, the Series 2015B-1 Bonds, the Series 2020B-2 Bonds, and the Series 2021B-1 Bonds, are referred to herein as the “Special Facilities.”

The Series 2021B-1 Bonds will be issued as special limited obligations of the City, payable solely from and secured by a pledge of certain pledged revenues of the City more fully described herein, consisting primarily of net rentals to be paid by United pursuant to the Lease (as defined herein) between the City and



In addition, the payment to the Trustee of all amounts required for the full and prompt payment of the principal of, premium, if any, and interest on the Series 2021B-1 Bonds will be unconditionally guaranteed by United pursuant to a Guaranty between United and the Trustee, as further described herein. The Series 2021B-1 Bonds will also be payable from and secured by a portion of certain rentals that may be received by the City following a termination of United’s possession rights under the Lease while any Series 2021B-1 Bonds remain outstanding, through a reletting of the Special Facilities by the City to one or more replacement tenants, as further described herein.

**The Series 2021B-1 Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City’s home rule charter and shall not be general obligations of the City. The holders of the Series 2021B-1 Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the City’s airport system. In addition, the Series 2021B-1 Bonds shall not constitute obligations of the City’s airport system and no revenues or funds of the City’s airport system are pledged or will be made available to repay any of the Series 2021B-1 Bonds.**

AN INVESTMENT IN THE SERIES 2021B-1 BONDS INVOLVES SIGNIFICANT RISKS. For more complete information with respect to the security and sources of payment for the Series 2021B-1 Bonds and certain risks with respect thereto, see “SECURITY FOR THE SERIES 2021B-1 BONDS” and “CERTAIN BONDOWNERS’ RISKS” herein.

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PRINCIPAL AMOUNT, MATURITY DATE, INTEREST RATE, PRICE, AND YIELD ON INSIDE COVER PAGE

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**This cover page and the inside cover page hereto contain certain information for quick reference only. They are not intended to be a summary of all factors relating to an investment in any of the Series 2021B-1 Bonds. Investors are advised to read the Official Statement in its entirety before making an investment decision.**

The Series 2021B-1 Bonds are offered when, as and if issued by the City and accepted by the Underwriters (as defined herein) and subject to the approving opinion of the Attorney General of the State of Texas and to receipt of the approving legal opinions of Bracewell LLP, Co-Bond Counsel and Tax Counsel, and West & Associates, L.L.P., Co-Bond Counsel. Certain legal matters will be passed upon for United by Richa Himani, its Associate General Counsel – Commercial Transactions and by Mayer Brown LLP, its outside counsel, and for the Underwriters by their counsel, O’Melveny & Myers LLP. The Series 2021B-1 Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about August 31, 2021.

**Citigroup**

**Wells Fargo Securities**

**Blaylock Van, LLC**

**Siebert Williams Shank & Co., LLC**

**\$219,320,000**  
**City of Houston, Texas**  
**Airport System Special Facilities Revenue Bonds**  
**(United Airlines, Inc. Terminal Improvement Projects),**  
**Series 2021B-1 (AMT)**

\$219,320,000 4% Term Bond due July 15, 2041  
Priced at 107.872%<sup>†</sup> (Yield 2.875%<sup>†</sup>) CUSIP<sup>‡</sup> 442349GA8

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<sup>†</sup> Priced at the stated yield to the first optional call date of July 15, 2029 at a redemption price of 100%.

<sup>‡</sup> CUSIP is a registered trademark of The American Bankers Association. CUSIP numbers have been assigned to the Series 2021B-1 Bonds by the CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers are provided solely for the convenience of potential investors. None of the City, United, or the Underwriters are responsible for the selection or accuracy of the CUSIP numbers set forth herein.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement (including Appendices) in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the City, United or the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or United since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any of the Series 2021B-1 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

The City neither has nor assumes any responsibility as to the accuracy of the information in this Official Statement (other than that under the headings “GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General,” “NO LITIGATION” and “CO-FINANCIAL ADVISORS,” for which the City assumes full and sole responsibility).

THE SERIES 2021B-1 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE TRUST INDENTURE (AS DEFINED HEREIN) BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2021B-1 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE SERIES 2021B-1 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF.

THE SERIES 2021B-1 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2021B-1 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF ANY OF THE SERIES 2021B-1 BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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 a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The order and the placement of materials in this Official Statement, including the Appendices, are not deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

This Official Statement is not to be construed as a contract or an agreement between either the City or United and the purchasers or holders of any of the Series 2021B-1 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact.

THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING” STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. SEE “CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS” HEREIN.

## CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements contained in or incorporated by reference in this Official Statement, including statements regarding the potential impacts of the novel coronavirus (“COVID-19”) global pandemic and steps United plans to take in response thereto, are forward-looking and thus reflect the current expectations and beliefs of the City, the Underwriters, or United, as the case may be, with respect to certain current and future events and anticipated financial and operating performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to United’s operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as “expects,” “will,” “plans,” “intends,” “anticipates,” “indicates,” “remains,” “believes,” “estimates,” “forecast,” “guidance,” “outlook,” “goals,” “targets,” and similar expressions are intended to identify forward-looking statements.

Additionally, forward-looking statements include statements that do not relate solely to historical facts, such as conditional statements, statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this Official Statement are based upon information available to the City, the Underwriters and United on the date of this Official Statement. None of the City, the Underwriters, or United undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law.

United’s actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: the adverse impacts of the ongoing COVID-19 global pandemic, and possible outbreaks of another disease or similar public health threat in the future, on the business, operating results, financial condition, liquidity and near-term and long-term strategic operating plan of United, including possible additional adverse impacts resulting from the duration and spread of the pandemic; unfavorable economic and political conditions in the United States and globally; the highly competitive nature of the global airline industry and susceptibility of the industry to price discounting and changes in capacity; high and/or volatile fuel prices or significant disruptions in the supply of aircraft fuel; United’s reliance on technology and automated systems to operate its business and the impact of any significant failure or disruption of, or failure to effectively integrate and implement, the technology or systems; United’s reliance on third-party service providers and the impact of any significant failure of these parties to perform as expected, or interruptions in United’s relationships with these providers or their provision of services; adverse publicity, harm to United’s brand; reduced travel demand, potential tort liability and voluntary or mandatory operational restrictions as a result of an accident, catastrophe or incident involving United, its regional carriers, its codeshare partners, or another airline; terrorist attacks, international hostilities or other security events, or the fear of terrorist attacks or hostilities, even if not made directly on the airline industry; increasing privacy and data security obligations or a significant data breach; disruptions to United’s regional network and United Express flights provided by third-party regional carriers; the failure of United’s significant investments in other airlines, equipment manufacturers and other aviation industry participants to produce the returns or results it expects; further changes to the airline industry with respect to alliances and joint business arrangements or due to consolidations; changes in United’s network strategy or other factors outside its control resulting in less economic aircraft orders, costs related to modification or termination of aircraft orders or entry into less favorable aircraft orders, as well as any inability to accept or integrate new aircraft into its fleet as planned; United’s reliance on single suppliers to source a majority of its aircraft and certain parts, and the impact of any failure to obtain timely deliveries, additional equipment or support from any of these suppliers; the impacts of union disputes, employee strikes or slowdowns, and other labor-related disruptions on United’s operations; extended interruptions or disruptions in service at major airports where United operates; the impacts of seasonality and other factors associated with the airline industry; United’s failure to realize the full value of its intangible assets or its long-lived assets, causing United to record impairments; any damage to United’s reputation or brand image; the limitation of United’s ability to use its net operating loss carryforwards and certain other tax attributes to offset future taxable income for U.S. federal income tax purposes; the costs of compliance with extensive government regulation of the airline industry; costs, liabilities and risks associated with environmental regulation and climate change; the impacts of United’s significant amount of financial leverage from fixed obligations, the possibility it may seek material amounts of additional financial liquidity in the short-term and the impacts of insufficient liquidity on its financial condition and business; failure to comply with the covenants in the MileagePlus financing agreements, resulting in the possible acceleration of the MileagePlus indebtedness, foreclosure upon the collateral securing the MileagePlus indebtedness or the exercise of other remedies;

failure to comply with financial and other covenants governing United's other debt; changes in, or failure to retain, United's senior management team or other key employees; current or future litigation and regulatory actions, or failure to comply with the terms of any settlement, order or arrangement relating to these actions; increases in insurance costs or inadequate insurance coverage; and other risks and uncertainties described in the section entitled "CERTAIN BONDOWNERS' RISKS" of this Official Statement or set forth under Part II, Item 1A, "Risk Factors" in United's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, as well as other risks and uncertainties set forth from time to time in the reports filed by United with the U.S. Securities and Exchange Commission. Consequently, the forward-looking statements should not be regarded as representations or warranties by United that such matters will be realized.

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**OFFICIAL STATEMENT**  
**relating to**

**\$219,320,000**  
**City of Houston, Texas**  
**Airport System Special Facilities Revenue Bonds**  
**(United Airlines, Inc. Terminal Improvement Projects),**  
**Series 2021B-1 (AMT)**

**INTRODUCTION**

This Official Statement, dated as shown on the cover page hereof, of the City of Houston, Texas (the “City”) is provided to furnish information concerning \$219,320,000 aggregate principal amount of the City’s Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2021B-1 (AMT) (the “Series 2021B-1 Bonds”). The City is a municipal corporation organized as a home rule city, situated principally in Harris County, Texas. The City owns and manages George Bush Intercontinental Airport/Houston (the “Airport”), among other airports within the City.

**The Series 2021B-1 Bonds and the 2021 United Project Components**

The Series 2021B-1 Bonds are being issued by the City under and pursuant to a Fifth Supplemental Terminal Trust Indenture dated as of August 1, 2021, which supplements that certain Trust Indenture dated as of March 1, 1997, as previously supplemented by a First Supplemental Terminal Trust Indenture dated as of December 1, 1998, by a Second Supplemental Terminal Trust Indenture dated as of November 1, 2011, by a Third Supplemental Terminal Trust Indenture dated as of March 1, 2015, and by a Fourth Supplemental Terminal Trust Indenture dated as of June 1, 2020 (as supplemented, collectively, the “Trust Indenture”), each by and between the City and The Bank of New York Mellon Trust Company, National Association, as successor in trust to Chase Bank of Texas, National Association and Texas Commerce Bank National Association, as trustee (the “Trustee”).

The Series 2021B-1 Bonds are being issued for the purpose of financing the cost of development, construction, and acquisition of the portion of a new multi-terminal baggage handling system, tenant improvements, fixtures, equipment, personnel areas, and related facilities in Terminal C at the Airport (collectively, the “Terminal C BHS”) and the cost of construction of a new early baggage storage system building and related fire pump room adjacent to Terminal C (collectively, the “EBS”), all to be installed by and for use by United Airlines, Inc. (“United,” formerly known as Continental Airlines, Inc.). The Terminal C BHS and the EBS are collectively referred to in this Official Statement as the “2021 United Project Components.” In addition to financing the 2021 United Project Components, proceeds of the Series 2021B-1 Bonds will also be used to pay costs of issuance of the Series 2021B-1 Bonds. See “PLAN OF FINANCE AND APPLICATION OF THE SERIES 2021B-1 BOND PROCEEDS—Estimated Sources and Uses of Funds for the Series 2021B-1 Bonds” herein.

The Series 2021B-1 Bonds will be secured on a parity under the Trust Indenture with the City’s outstanding Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal Improvement Projects), Series 2011 (AMT) (the “Series 2011 Bonds”), Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2015B-1 (AMT) (the “Series 2015B-1 Bonds”), Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2020B-2 (AMT) (the “Series 2020B-2 Bonds”), any bonds issued in the future under the Trust Indenture for the purpose of financing Special Facilities (as defined herein) (the “Additional Bonds”), and any Refunding Bonds (as defined below). As of the date of issuance of the Series 2021B-1 Bonds, \$113,305,000 aggregate principal amount of Series 2011 Bonds will be outstanding, \$176,650,000 aggregate principal amount of Series 2015B-1 Bonds will be outstanding, and \$47,470,000 aggregate principal amount of Series 2020B-2 Bonds will be outstanding. The Series 97/98B Bonds (as defined below, which are no longer outstanding), the Series 2011 Bonds, the Series 2015B-1 Bonds, the City’s Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2015B-2 (AMT) (the “Series 2015B-2 Bonds,” which are no longer outstanding), and the Series 2020B-2 Bonds will be collectively referred to in this Official Statement as the “Prior Bonds,” and the Prior Bonds,

the Series 2021B-1 Bonds, any Additional Bonds, and any bonds issued under the Trust Indenture to refund any Bonds or Additional Bonds (“Refunding Bonds”) are referred to herein as the “Bonds.”

### **Prior Bonds and Special Facilities**

The City’s Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal Improvement Projects), Series 1997B (the “Series 1997B Bonds”) and Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal Improvement Projects), Series 1998B (the “Series 1998B Bonds” and, together with the Series 1997B Bonds, the “Series 97/98B Bonds”) financed certain upgrades to Terminal B and financed the construction and installation of certain improvements supporting the operations of United in Terminals C and D at the Airport. The Series 97/98B Bonds were refunded with the proceeds of the Series 2015B-2 Bonds, which were subsequently refunded with the proceeds of the Series 2020B-2 Bonds.

Proceeds of the Series 2011 Bonds were used to replace the South circular flight stations of Terminal B with a new South Concourse building at Terminal B for United’s regional jet operations at the Airport (the “2011 Project”). The 2011 Project is defined as the “Initial Phase” of improvements under the Lease (defined below). See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE.”

Proceeds of the Series 2015B-1 Bonds were used to construct a new, two-story North Concourse building at Terminal B at the Airport, to support 11 narrow-body aircraft gates (at least two of which also support wide-body aircraft) with jet bridge loading, for operations by United at the Airport, and to make certain additional improvements to related terminal facilities (collectively, the “Series 2015B-1 Project”). The Series 2015B-1 Project was determined to be a “Deferred Phase” of improvements under the Lease. The 11 gates financed as part of the Series 2015B-1 Project are located in Terminal B but are labeled as Terminal C and are also referred to as “Terminal C North.”

United no longer leases or occupies the improvements in Terminal D that were financed with the proceeds of the Series 97/98B Bonds. United continues to lease and occupy all of the improvements in Terminals B and C that were financed with the proceeds of the Series 97/98B Bonds, the Series 2011 Bonds, and the Series 2015B-1 Bonds. All improvements in Terminals B and C that were financed with the Prior Bonds are collectively referred to herein as the “Prior Special Facilities.” The Prior Special Facilities, the 2021 United Project Components, and any facilities financed with the proceeds of any Additional Bonds that may be issued in the future will be collectively referred to in this Official Statement as the “Special Facilities.” See “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS” herein for more information regarding the Special Facilities.

### **The Lease**

In connection with the redevelopment of Terminal B that began in 2011 and the issuance of the Series 2011 Bonds, the City and United entered into a Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), effective as of November 17, 2011, as the same was subsequently amended pursuant to (i) an Amendment No. 1 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects) dated as of February 21, 2013, and (ii) an Amendment No. 2 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of April 10, 2015 (collectively, the “Original Lease”). In connection with the construction of the 2021 United Project Components and the issuance of the Series 2021B-1 Bonds, the City and United entered into an Amendment No. 3 to Second Amended and Restated Special Facilities Lease Agreement (United Airlines, Inc. Terminal Improvement Projects), dated August 11, 2021 (“Amendment No. 3 to Lease” and, together with the Original Lease, as the same may be further amended or supplemented from time to time, the “Lease”).

Pursuant to the Lease, the City leases to United: (i) the 2021 United Project Components, (ii) the Special Facilities in Terminal B (including the Prior Special Facilities in Terminal B and any future Special Facilities in Terminal B), (iii) certain other facilities in Terminal B that existed as of the effective date of the Lease (i.e., November 17, 2011), including the aircraft gates in the two north circular flight stations of Terminal B (such facilities, the “Existing Terminal B Improvements”), (iv) the ground areas upon which all such improvements are located and certain air space within which the EBS (as defined herein) is located, and (v) the Prior Special Facilities in Terminal

C that were financed with the proceeds of the Series 97/98B Bonds. Also under the Lease, the City may lease to United future facilities to be constructed by United that are financed with the proceeds of future Additional Bonds that may be issued under the Trust Indenture, and/or grant rights to facilities to be constructed by the City.

The term of the Lease expires with respect to the various facilities leased thereunder on different dates. For additional information regarding the term of the Lease, see “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—The Lease; Related Lease Arrangements” herein. See also “THE SERIES 2021B-1 BONDS—Redemption of the Series 2021B-1 Bonds—*Extraordinary Required Redemption of the Series 2021B-1 Bonds*” herein.

Pursuant to the terms of the Lease, United is obligated to pay certain net rental payments (the “Special Facilities Payments”) to the Trustee, as assignee of the City, in an amount sufficient to pay the principal of, premium, if any, and interest when due on the Bonds. In addition, United is obligated under the Lease to pay to the City (i) certain additional amounts for the right to use and occupy the ground areas underlying the Special Facilities located in Terminal B, and the air space and related ground areas for the EBS (the “Ground Rentals”), (ii) certain operating and maintenance expenses and other charges related to the Special Facilities located in Terminal B and the EBS (the “City Charges”), and (iii) certain aircraft landing fees based on the total landed weight of United’s aircraft operating at the Airport (the “Landing Fees”), which payments in clauses (i), (ii), and (iii) above are not pledged to the payment of principal of, premium, if any, and interest on the Bonds, including the Series 2021B-1 Bonds. For further discussion of the Ground Rentals, City Charges, and Landing Fees, see APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Special Facilities Payments; Other Rent and Charges” herein.

The Lease has been amended pursuant to a COVID-19 Airline Blanket Amendment effective as of April 27, 2020 (the “Blanket Amendment”), which provided, in part, for a deferral of all airline payments due to the City for use of the airfield and terminals beginning on the effective date of the Blanket Amendment and continuing for 90 days. The Blanket Amendment allowed the deferred payments to be paid to the City either (i) before January 1, 2021, in which case such payments were not subject to interest, or (ii) after January 1, 2021, in which case such payments were subject to interest. United is paying the deferred payments and any interest thereon in accordance with a payment schedule agreed to with the City and expects to be able to pay the remainder of the deferred payments by December 31, 2021. The Blanket Amendment does not defer or otherwise impact United’s obligation to pay Special Facilities Payments under the Lease, which Special Facilities Payments constitute the primary source of security for the Bonds.

### **Security for the Series 2021B-1 Bonds**

The Series 2021B-1 Bonds will be issued as special limited obligations of the City secured with respect to the pledge of the Pledged Revenues (as defined below) on a parity with the outstanding Series 2011 Bonds, Series 2015B-1 Bonds, and Series 2020B-2 Bonds and with any Additional Bonds and Refunding Bonds issued in the future under the Trust Indenture. The Series 2021B-1 Bonds will be payable solely from and secured by a pledge of certain pledged revenues of the City relating to the Special Facilities (the “Pledged Revenues”), including all Special Facilities Payments paid or payable by United under the Lease, but not including the Ground Rentals, the City Charges, or the Landing Fees. Pledged Revenues also include certain revenues that may be realized by the City following a termination of United’s possession rights under the Lease with respect to the Special Facilities while any Bonds remain outstanding, through a reletting of the Special Facilities by the City to one or more replacement tenants, as further described herein. For further discussion of such reletting provisions, see “SECURITY FOR THE SERIES 2021B-1 BONDS—Reletting” herein. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Definitions” for a detailed description of Pledged Revenues.

In addition, pursuant to a Guaranty Agreement dated as of August 1, 2021 (the “Guaranty”), the payment to the Trustee of all amounts required for the full and prompt payment of the principal of, premium, if any, and interest on the Series 2021B-1 Bonds will be unconditionally guaranteed by United. United has also similarly guaranteed the full and prompt payment when due of the principal of, premium, if any, and interest on each series of the Prior Bonds under separate guaranty agreements. See “SECURITY FOR THE SERIES 2021B-1 BONDS—The Guaranty” herein.

**The Series 2021B-1 Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City's home rule charter and shall not be general obligations of the City. The holders of the Series 2021B-1 Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the City's airport system. In addition, the Series 2021B-1 Bonds shall not constitute obligations of the City's airport system and no revenues or funds of the City's airport system are pledged or will be made available to repay any of the Series 2021B-1 Bonds.**

**AN INVESTMENT IN THE SERIES 2021B-1 BONDS INVOLVES SIGNIFICANT RISKS.**  
See "SECURITY FOR THE SERIES 2021B-1 BONDS" and "CERTAIN BONDOWNERS' RISKS" herein.

### **Simultaneous Issuance**

On the date of issuance of the Series 2021B-1 Bonds (the "Date of Delivery"), the City expects to issue its Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal E Project), Series 2021A (AMT) (the "Series 2021A Bonds") to (a) finance the cost of development, construction, and acquisition of the portion of the new multi-terminal baggage handling system, tenant improvements, fixtures, equipment, and personnel areas (including an employee breakroom), storage, and related facilities, that will be located in Terminal E (the "Terminal E BHS"), which will be connected to and integrated with the Terminal C BHS, and (b) pay related costs of issuance. The Terminal C BHS and Terminal E BHS will be integrated as further described in "THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the 2021 United Project Components and United Funded Equipment," but the Terminal E BHS will neither constitute 2021 United Project Components nor be subject to the Lease. See also "CERTAIN BONDOWNERS' RISKS—Limitations Upon the City's Ability to Relet the Special Facilities; Availability of Reletting Revenues—Integration of Terminal C BHS with Remainder of Multi-Terminal Baggage Handling System."

### **Information Relating to Other Matters**

United is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith, files reports and other information with the Securities and Exchange Commission (the "SEC"), which may be in the form of combined reports reflecting information about both United and its parent company, United Airlines Holdings, Inc. ("UAL"). Certain information with respect to United and UAL is furnished herein and in APPENDIX A hereto and incorporated therein by reference from materials on file with the SEC. See "UNITED AIRLINES, INC." herein and APPENDIX A—"AVAILABILITY OF CERTAIN INFORMATION RELATING TO UNITED AIRLINES, INC." Such information has been provided by United and has not been independently verified by the City or the Underwriters, and neither the City nor the Underwriters make any representations or warranties, express or implied, as to the accuracy or completeness of such information. In addition, certain information with respect to the City and its airport system is furnished herein under the captions "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General," "NO LITIGATION," and "CO-FINANCIAL ADVISORS." Such information has been provided by the City and has not been independently verified by United or the Underwriters, and neither United nor the Underwriters make any representations or warranties, express or implied, as to the accuracy or completeness of such information. Further, in connection with the issuance and sale of the Series 2021B-1 Bonds, United will agree to provide certain annual financial information and notices of the occurrence of certain events. See "CONTINUING DISCLOSURE" and APPENDIX F—"FORM OF CONTINUING DISCLOSURE AGREEMENT" herein.

This Official Statement contains certain information and descriptions relating to the Airport, United, the Special Facilities, the Series 2021B-1 Bonds, the Lease, the Guaranty, and the Trust Indenture. Such information and descriptions do not purport to be comprehensive or definitive. All references herein to specified documents are qualified in their entirety by reference to each such document, copies of which are available from United and the Underwriters during the initial offering period, and all references to any of the Series 2021B-1 Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto included in the aforesaid documents. Capitalized terms not defined herein have the meanings specified in the Trust Indenture. See APPENDIX B—"SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Definitions."

The foregoing Introduction contains only a brief summary of certain information contained in this Official Statement. It is not intended to be complete and is qualified by the more detailed information contained elsewhere in this Official Statement.

## **PLAN OF FINANCE AND APPLICATION OF THE SERIES 2021B-1 BOND PROCEEDS**

### **Plan of Finance**

The Series 2021B-1 Bonds are being issued for the purpose of (i) financing the cost of the 2021 United Project Components, and (ii) paying related costs of issuance. See “—Estimated Sources and Uses of Funds for the Series 2021B-1 Bonds” below.

### **Estimated Sources and Uses of Funds for the Series 2021B-1 Bonds**

The following table sets forth the estimated sources and uses of funds for the Series 2021B-1 Bonds:

#### **SOURCES OF FUNDS**

Par Amount	\$219,320,000.00
Original Issue Premium	<u>17,264,870.40</u>
 Total	 <u><u>\$236,584,870.40</u></u>

#### **USES OF FUNDS**

Deposit into the Series 2021B-1 Construction Account <sup>1</sup>	\$233,685,954.08
Costs of Issuance <sup>2</sup>	<u>2,898,916.32</u>
 Total	 <u><u>\$236,584,870.40</u></u>

<sup>1</sup> The deposit into the Series 2021B-1 Construction Account of the Acquisition Fund, together with the estimated investment earnings thereon, are expected to be sufficient to pay the costs of development, construction, and acquisition of the 2021 United Project Components. See “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the 2021 United Project Components and United Funded Equipment” herein.

<sup>2</sup> Includes underwriting discount and other costs of issuance.

## GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON

### General

The Airport is the nation's 14th busiest airport (as measured by enplaned passengers in calendar year 2019) and is classified as a "large hub airport" by the Federal Aviation Administration ("FAA"). It serves as an international gateway airport and a primary connecting point in the national air transportation system and was the second busiest hub for United in calendar year 2019. Additionally, the Airport is the primary air cargo airport for the region.

The Airport is situated on 10,800 acres of land approximately 22 miles north of downtown Houston. Opened in 1969, it is the Houston area's busiest commercial airport. There are also two other airports located in the Houston area, William P. Hobby Airport and Ellington Airport, both of which are also owned and operated by the City and included as part of the City's airport system.

The Airport's passenger terminal facilities currently consist of five terminal buildings and related concourses—Terminals A, B, C, D and E—with a total of 131 aircraft gates and two hardstand positions. The facilities provide public parking for approximately 22,000 automobiles in multi-story garages and surface lots, an automated underground inter-terminal train system (the "Subway") that connects (pre-security) the existing five terminals and the Marriott Hotel, and an above-ground level automated people mover system (the "Skyway") that connects (post-security) all five terminals and a central federal customs and immigration inspection services building (the "Central FIS Facility") accommodating international arrivals from Terminals D and E.

The Central FIS Facility has the capacity to process approximately 4,500 arriving international passengers per hour. Terminals B, C, and E are used exclusively by United and its United Express affiliates. Terminal B contains 42 aircraft gates currently labeled as Terminal B gates and 11 aircraft gates currently labeled as Terminal C gates, for a total of 53 aircraft gates. Terminal B is used by United and United Express. Pursuant to the Terminal B and C Lease (as defined below), United has constructed two phases of its Terminal B redevelopment plan, the second phase of which included the aforementioned 11 gates, which are located in the North Concourse of Terminal B but are labeled as Terminal C (which North Concourse of Terminal B is commonly referred to as Terminal C North). Terminal C, as defined by the Terminal C Lease and Use Agreement, contains 20 aircraft gates and primarily accommodates United and United Express domestic operations. Terminal E, containing 23 gates, is used by United for mainline international arrivals and departures and domestic arrivals and departures and by United Express for some international arrivals. Terminal A contains 22 aircraft gates, as well as two aircraft hardstand positions and is used by various airlines (including United and its United Express affiliates) for domestic and precleared international aircraft operations. Foreign-flag airlines conduct international operations out of Terminal D, which contains 12 aircraft gates. Additionally, Terminal D is used by United and its United Express affiliates and Spirit Airlines for some international arrivals.

The Airport has five runways interconnected by a system of taxiways. The longest runway is 12,000 feet long, two are approximately 10,000 feet long, and the remaining two are at least 9,000 feet long. The runways are equipped with instrument landing systems, lighting systems, and other navigation aids and are configured to permit the simultaneous use of the three east-west runways for aircraft landings in most weather conditions.

Also located at the Airport property are multiple air cargo buildings providing nearly one million square feet of space and a fuel farm that currently provides approximately 13 million gallons of storage capacity for jet fuel. Two fixed base operators provide airline, corporate and general aviation aircraft operations support. The Marriott Hotel is located between Terminals B and C, has 573 rooms and underwent a substantial renovation completed in January 2016.

United operates facilities for aircraft maintenance, catering, flight attendant training, and other support functions, and constructed a new 270,000-square-foot technical operations center to accommodate a hangar for widebody aircraft maintenance and is improving and expanding other aircraft maintenance and support facilities at the Airport. The office areas of the technical operations center and associated widebody hangar opened in February 2020, and the supporting shops are expected to be completed in late calendar year 2021. The hangar and supporting

shops are partially in use pending their completion, which is expected to occur in the first quarter of calendar year 2022. See “—United’s Other Facilities at the Airport” below.

A consolidated rental car facility was financed by the proceeds of certain bonds issued in 2001. The bonds related to the consolidated rental car facility are secured by and payable from a customer facility charge assessed on rental car customers at the Airport and are not the obligations of the City or of United. The facility opened in August 2003.

### **United’s Operations at the Airport**

The Airport is United’s second largest domestic airport hub in terms of passenger enplanements, accounting for approximately 10% of United’s system-wide enplanements for the twelve months ending December 31, 2020. United and its regional carriers, respectively, enplaned approximately 4.1 million and 2.3 million passengers at the Airport in this period, approximately 59% of whom were passengers connecting from flights operated by United or its regional carriers. Such enplanements accounted for approximately 74.5% of the Airport’s total enplaned passengers. No other airline accounted for more than 7.5% of the Airport’s enplaned passengers in this period. During calendar year 2020, United operated an average of 111 scheduled departures (excluding regional jet operations) each day from the Airport to 94 non-stop destinations, including 41 international destinations, and United’s regional carriers operated an average of 167 additional scheduled daily departures from the Airport to 107 domestic and 20 international destinations.

In 2020, United’s activity at the Airport was impacted by the COVID-19 pandemic in a manner that is generally consistent with reductions to United’s scheduled capacity across its network. United began experiencing a significant decline in international and domestic demand related to COVID-19 during the first quarter of 2020. In 2020, United’s scheduled departures (excluding regional jet operations) at its Houston hub were approximately 51% lower than 2019 levels. United’s second quarter 2021 performance in Houston largely exceeded original expectations as international long haul and business travel accelerated faster than anticipated. United cut, relative to second quarter 2019 capacity, approximately 28% of its scheduled departures (excluding regional jet operations) at the Airport for the second quarter of 2021 and expects its third quarter scheduled departures (excluding regional jet operations) at the Airport to be down approximately 4% versus the third quarter of 2019. United will continue to monitor booking trends for future travel and adjust its capacity as needed both across its system and at the Airport. The Airport continues to be a major airport hub in United’s network, and United expects it will continue as such as demand for air travel recovers. See “CERTAIN BONDOWNERS’ RISKS” and “CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS” herein.

### **United’s Current Terminal Facilities at the Airport**

United uses the Airport as one of its principal hubs and leases and uses additional passenger terminal and other support facilities at the Airport besides the Special Facilities. United and its regional carriers currently lease and occupy facilities in all five terminals at the Airport under various lease and license agreements with the City.

As of the date hereof and as further described below, United’s terminal lease agreements at the Airport include two special facilities leases pursuant to which the City has issued special facilities bonds payable from net rentals of United, specifically: (i) the Terminal E Lease and Special Facilities Lease Agreement dated as of August 1, 2001 (as amended, the “Terminal E Lease”), pursuant to which United leases Terminal E, and (ii) the Lease, pursuant to which United leases all of Terminal B and portions of Terminal C, including the Terminal C BHS. However, the bulk of operational space in Terminal C is leased to United pursuant to a certain Terminal C South Net Lease and Use Agreement, effective as of April 10, 2015 (as amended, including by an Amendment No. 1 to Terminal C South Net Lease and Use Agreement, the “Terminal C Lease and Use Agreement”). Facilities in Terminal A are leased to United pursuant to a certain Use and Lease Agreement, effective as of June 1, 2004 (as amended, the “Terminal A Lease”). With respect to Terminal D, which solely operates international flights, United leases certain facilities pursuant to the International Facilities Agreement, effective as of August 22, 2005 (the “International Facilities Agreement”).

The following summarizes certain provisions of the lease agreements listed above. For additional details regarding the term of the Lease, see “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—The Lease; Related Lease Arrangements.”

### ***Terminal A***

<u>Agreement</u>	<u>Facilities</u>	<u>Term</u>
Terminal A Lease	<p>Preferential use of four aircraft gates</p> <p>Preferential use of certain airfield apron areas</p> <p>Exclusive use of certain related support facilities</p> <p>Common use of certain baggage and additional support facilities</p>	Month to month

### ***Terminal B***

<u>Agreement</u>	<u>Facilities</u>	<u>Term</u>
The Lease	<p>Exclusive use of 12 aircraft gates and certain related support facilities and preferential use of certain related airfield apron areas</p> <p>Preferential use of 30 aircraft gates and certain related airfield apron areas, and exclusive use of certain related support facilities</p> <p>Exclusive use of 11 aircraft gates and preferential use of 3 hardstand aircraft parking positions in the North Concourse of Terminal B (which gates are labeled as Terminal C and which North Concourse of Terminal B is commonly referred to as Terminal C North), exclusive use of certain related support facilities and preferential use of certain related airfield apron areas</p>	<p>Expires December 31, 2024, unless United initiates a “Deferred Phase” to replace such facilities with special facilities, in which case the expiration would be the 25th anniversary of substantial completion of such special facilities</p> <p>November 16, 2041</p> <p>March 20, 2042</p>

### ***Terminal C***

<u>Agreements</u>	<u>Facilities</u>	<u>Term</u>
Terminal C Lease and Use Agreement	<p>Exclusive use of 20 aircraft gates</p> <p>Exclusive use of certain related support facilities</p> <p>Preferential use of certain airfield apron areas</p>	Ending December 31, 2037, subject to certain extension rights and early termination provisions, as set forth therein
The Lease	<p>Prior Special Facilities located in Terminal C originally financed with the proceeds of the Series 97/98B Bonds</p> <p>2021 United Project Components</p>	<p>Ending December 31, 2027, subject to certain extension rights and early termination provisions</p> <p>Ending March 20, 2042, subject to certain extension</p>



rights and early termination provisions, and provided that the term with respect to the Terminal C BHS may not be extended and will expire concurrently with the Terminal C Lease and Use Agreement (December 31, 2037), unless United exercises its option to extend the Terminal C Lease and Use Agreement. See “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—The Lease; Related Lease Arrangements” herein.

### ***Terminal D***

<u>Agreement</u>	<u>Facilities</u>	<u>Term</u>
International Facilities Agreement	Common use rights to aircraft gates Common use of certain baggage and support facilities	December 31, 2021, and month to month thereafter, subject to either party’s right to terminate upon thirty (30) days’ prior written notice to the other party, unless extended by an amendment to the International Facilities Agreement prior to December 31, 2021

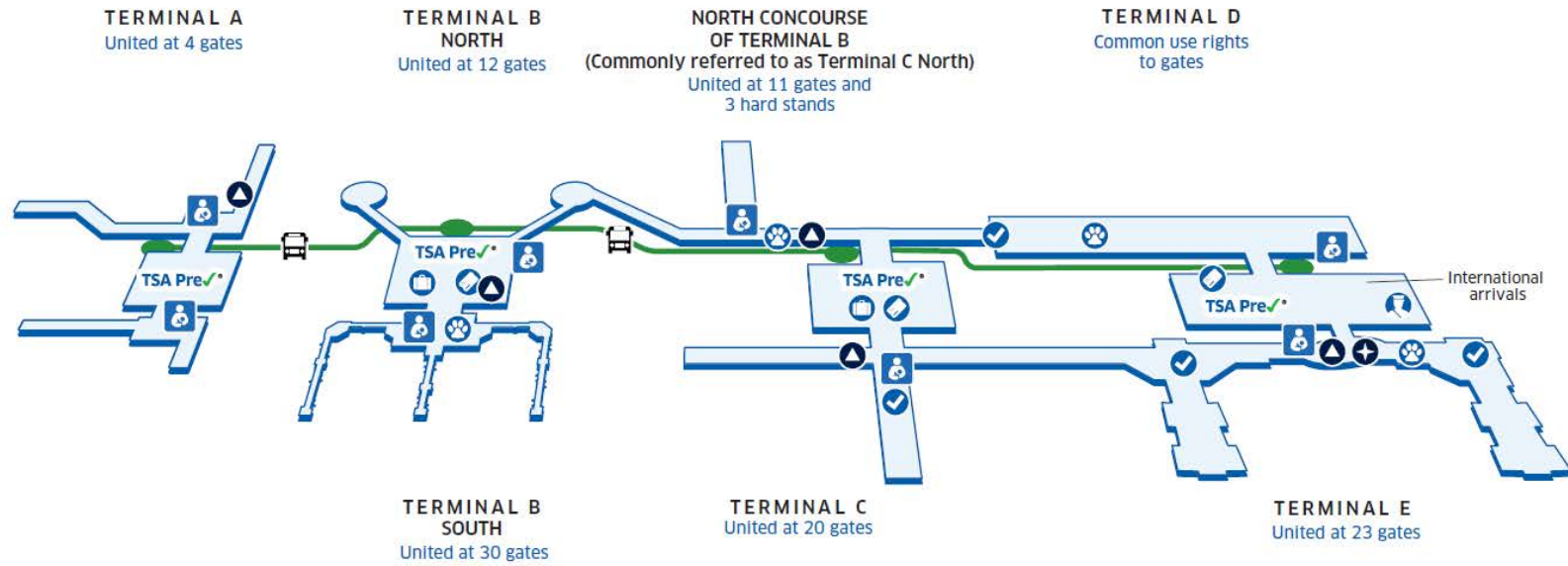
### ***Terminal E***

<u>Agreement</u>	<u>Facilities</u>	<u>Term</u>
Terminal E Lease	Exclusive use of 23 aircraft gates Exclusive use of certain related support facilities, including the Terminal E BHS Preferential use of certain airfield apron areas	Ending on January 31, 2030, subject to certain extension rights and early termination provisions

The diagram on the following page depicts the configuration of the terminal facilities at the Airport and United’s facilities in each of the Airport’s terminals.

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**IAH** | GEORGE BUSH INTERCONTINENTAL AIRPORT / HOUSTON



United's preferential rights under its various agreements entitle it to first priority scheduling and use of the facilities to which it has preferential use rights. However, at times in which United has no scheduled use of its preferentially-leased areas, the City may allow other airlines to use such facilities.

**The only rent payments pledged to the repayment of the Series 2021B-1 Bonds are Special Facilities Payments paid by United under the Lease, and none of United's payments of rentals under agreements other than the Lease are pledged to the repayment of the Series 2021B-1 Bonds.** Although certain facilities in Terminal D were financed with the proceeds of the Prior Bonds, those facilities are no longer leased or occupied by United and those facilities no longer constitute Special Facilities under the Lease. Nevertheless, United continues to be obligated under the Lease to pay sufficient amounts to the City to pay as and when due the principal of, premium, if any, and interest on all outstanding Bonds, including the Prior Bonds issued to finance or refinance the construction of improvements in Terminal D. No facilities in Terminals A or E were financed with proceeds of the Prior Bonds.

Certain bonds, in addition to the Prior Bonds, have previously been issued by the City for the benefit of United to finance and/or refinance improvements used by United at Terminal E at the Airport and currently remain outstanding. The bonds previously issued and to be issued by the City to finance or refinance Terminal E facilities for the benefit of United at the Airport are secured by certain rental payments under the Terminal E Lease and are collectively referred to herein as the "Terminal E Bonds." Specifically, the following Terminal E Bonds are currently outstanding and will remain outstanding following the issuance of the Series 2021B-1 Bonds: (i) \$238,890,000 aggregate principal amount of City's Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project) Series 2014 (AMT) (the "Series 2014 Terminal E Bonds") and (ii) \$34,165,000 aggregate principal amount of City's Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project) Series 2020A (AMT) (the "Series 2020A Terminal E Bonds"), which refinanced the cost of construction and improvements used by United at Terminal E at the Airport. There are no currently-outstanding bonds for which United is responsible in connection with the facilities used by United at Terminals A or D at the Airport.

In addition, the City expects to issue on the Date of Delivery the Series 2021A Bonds (which are Terminal E Bonds) in the aggregate principal amount of \$70,175,000 to (a) finance the cost of development, construction, and acquisition of the Terminal E BHS for use by United and (b) pay related costs of issuance. See "INTRODUCTION—Simultaneous Issuance" herein. See also "THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the 2021 United Project Components and United Funded Equipment" for a description of the integration of the Terminal C BHS and Terminal E BHS.

None of the outstanding Terminal E Bonds will be affected by the issuance of the Series 2021B-1 Bonds. Pursuant to the Terminal E Lease, United is obligated to pay net rentals to the City in an amount sufficient to pay as and when due all debt service payments on the Terminal E Bonds. No such payments with respect to the Terminal E Lease or the Terminal E Bonds are pledged to the repayment of the Series 2021B-1 Bonds, and none of the Pledged Revenues under the Trust Indenture are pledged to repayment of the Terminal E Bonds. For a description of certain risks associated with the integrated nature of the 2021 United Project Components and the baggage handling system to be constructed in Terminal E with the proceeds of the Series 2021A Bonds, see "CERTAIN BONDOWNERS' RISKS—Limitations Upon the City's Ability to Relet the Special Facilities; Availability of Reletting Revenues—Integration of Terminal C BHS with Remainder of Multi-Terminal Baggage Handling System" herein.

#### **United's Other Facilities at the Airport**

In addition to its terminal facilities, United leases from the City, under separate agreements, other grounds and facilities at the Airport in support of United's operations. These include an in-flight kitchen; an in-flight training facility; a ground support equipment maintenance facility; aircraft maintenance hangars; a mail sorting facility; air cargo buildings; and warehouse and other space at various locations on the Airport. United leases certain flight simulator facilities at the Airport although, in 2018, United consolidated its flight simulator training operations in Denver. United also leases various off-airport facilities in the immediate vicinity of the Airport for various United support functions.

Certain bonds have previously been issued by the City for the benefit of United to finance and/or refinance some of such non-terminal support facilities and improvements used by United at the Airport. The bonds previously issued and to be issued by the City to finance or refinance certain support facilities for the benefit of United at the Airport are collectively referred to herein as the “Support Facility Bonds.” Specifically, the following Support Facility Bonds are currently outstanding and will remain outstanding following issuance of the Series 2021B-1 Bonds: (i) \$46,425,000 aggregate principal amount of the City’s Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2018C (AMT), which financed the improvement, renovation, expansion and repair of certain facilities to support United’s operations at the Airport, including improvements to an existing aircraft maintenance hangar facility, (ii) \$90,650,000 aggregate principal amount of the City’s Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Technical Operations Center Project), Series 2018 (AMT), which financed the construction and installation of a technical operations center and related facilities at the Airport, and (iii) \$66,890,000 aggregate principal amount of the City’s Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2020C (AMT), which refinanced certain non-terminal facilities at the Airport.

None of the Support Facility Bonds will be affected by the issuance of the Series 2021B-1 Bonds. Under United’s lease agreements with the City with respect to United’s support facilities at the Airport financed with the proceeds of the Support Facility Bonds, United is obligated to pay net rentals to the City in an amount sufficient to pay as and when due all debt service payments on the Support Facility Bonds. No such payments with respect to such leases or the Support Facility Bonds are pledged to the repayment of the Series 2021B-1 Bonds, and none of the Pledged Revenues under the Trust Indenture are pledged to repayment of any Support Facility Bonds.

#### **THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS**

The Special Facilities, United’s rental payments for which will constitute the primary security for the Series 2021B-1 Bonds, will consist of the following: (i) the Prior Special Facilities, which are located in Terminals B and C at the Airport and were financed with the proceeds of the Prior Bonds, (ii) the 2021 United Project Components, a portion of which will replace the baggage handling system components of the Prior Special Facilities located in Terminal C, and (iii) any future facilities constructed by United and financed with the proceeds of future Bonds issued under the Trust Indenture, if any.

#### **Description of the 2021 United Project Components and United Funded Equipment**

United is constructing a new multi-terminal baggage handling system to be located in Terminals C and E at the Airport that, when complete, will support United’s passenger operations across the Airport. A portion of the new multi-terminal baggage handling system will be constructed in Terminal C (referred to herein as the Terminal C BHS), and will constitute a portion of the 2021 United Project Components. The remainder of the new multi-terminal baggage handling system will be constructed in Terminal E (referred to herein as the Terminal E BHS) and will neither constitute 2021 United Project Components nor be subject to the Lease. These improvements are expected to improve the experience of United’s customers and increase the efficiency of baggage handling for United flights at the Airport.

Proceeds of the Series 2021B-1 Bonds will be used by United for the development, construction, and acquisition of (a) the Terminal C BHS, and (b) the EBS.

The Terminal C BHS will be used to transport and sort United bags originating in the Terminal C ticketing lobby, bags transferring from inbound United flights to outbound United flights from various terminals at the Airport, and terminating bags from inbound United flights, as well as bags transferring to Terminal C from Terminal E and the Central FIS Facility through conveyors. The Terminal C BHS will include a sortation system made up of four main lines that sort outbound bags into fourteen make-up units where bags are loaded into carts for delivery to outbound flights. Additionally, bags will be collected and transferred into the sortation system either through three new inbound baggage induction points (i.e., points of access for bags into the baggage handling system), four new Terminal C lobby ticket counter induction points, or two new Terminal C curbside induction points. The existing eleven baggage claim carousels used by passengers to pick up arriving bags in Terminal C will be replaced with new baggage claim carousels. The Terminal C BHS also includes build-out of new support spaces and break room spaces for employees, a baggage control room, an odd size baggage screening room to support Transportation

Security Administration (“TSA”) screening and a new dedicated odd size baggage conveyor that will transfer baggage too large to be used by a conventional conveyor from the Terminal C ticketing lobby to the new TSA odd size baggage screening room.

The proceeds of the Series 2021B-1 Bonds will also be used to build a new EBS that will automatically store, track and transfer bags that are checked in earlier than a certain number of hours before departure of a flight. The EBS will include construction of a new early baggage storage system building within the air space over South Terminal Road at the Airport adjacent to the Terminal C bag room, a stairwell and the footers on which the facility is located, and a related fire pump room. The early baggage storage system building will consist of elevated space across four levels, contain a footprint of 21,576 square feet, and house the EBS equipment and storage racks. The early baggage storage system building will be capable of storing up to 3,300 early bags at any given time. The related fire pump room will contain the fire suppression pumps that support the Terminal C BHS, the EBS and the adjacent Terminal C garage.

The Terminal C BHS will be connected to and integrated with the Terminal E BHS to allow for cross sortation of United bags between Terminal C and Terminal E, as well as allowing for the use of the early baggage storage system building. The Terminal E BHS will be constructed with the proceeds of the Series 2021A Bonds, and the Terminal E BHS will neither constitute 2021 United Project Components nor be subject to the Lease. See “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities; Availability of Reletting Revenues—Integration of Terminal C BHS with Remainder of Multi-Terminal Baggage Handling System.”

As further provided in the Lease, to the extent that an “event of default” by United has occurred and is continuing under the Terminal E Lease, United agrees to provide reasonable access to and use of the Terminal C BHS to the City or any tenant of the City pursuant to the Terminal E Lease. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Lessee’s Obligations and Conditions to Lessee’s Use of Special Facilities and City’s Obligations—*Special Obligations in the Event of Default under the Terminal E Lease.*”

In addition to the 2021 United Project Components that will be built by United with the proceeds of the Series 2021B-1 Bonds, United will acquire and install certain information technology equipment to support the Terminal C BHS (collectively, the “United Funded Equipment”). Such United Funded Equipment will cost approximately \$3,050,000 and will be paid for entirely by United from its own funds. The United Funded Equipment will include computers and monitors, network switches, wireless access points, large screen displays for the central control room, and servers. None of the United Funded Equipment will be financed with proceeds of the Series 2021B-1 Bonds or constitute 2021 United Project Components, but the United Funded Equipment located in the facilities leased to United under the Lease nonetheless will be subject to the reletting provisions of the Lease described below under the caption “SECURITY FOR THE SERIES 2021B-1 BONDS—Reletting.” However, so long as no event of default under the Lease has occurred and is continuing, United is entitled under the Lease to remove its personal property (including the United Funded Equipment) from the terminal, provided that such removal does not damage or impair the Special Facilities (or United at its expense restores the Special Facilities to the same or better condition than existed prior to such removal). See “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities; Availability of Reletting Revenues—Unavailability of United Funded Equipment” and APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Personal Property Not Constituting Special Facilities.”

United will manage the construction of the 2021 United Project Components and the United Funded Equipment as it has done in connection with the construction of several of its other facilities at the Airport. United has retained AvAirPros, Inc. to manage the construction of the 2021 United Project Components and the United Funded Equipment under United’s direction. United has also retained PGAL, Inc. as its architect for the general construction and mechanical, electrical and plumbing design work and Hensel Phelps Construction Company as the general contractor for the non-baggage handling aspects of the 2021 United Project Components, including the EBS. United has retained Siemens Logistics LLC to handle design and construction of the 2021 United Project Components and the United Funded Equipment. Siemens Logistics LLC designs and installs baggage handling systems worldwide, including but not limited to in the United States, Dubai, Germany and South Korea. The design for the 2021 United Project Components and the United Funded Equipment has been completed. United began construction of the 2021

United Project Components in June 2019 and expects to complete construction of such facilities and the United Funded Equipment by the third quarter of 2024.

United estimates that construction costs for the 2021 United Project Components will total approximately \$234 million, all of which United expects to finance with proceeds of the Series 2021B-1 Bonds. United has consulted with the Hensel Phelps Construction Company and Siemens Logistic LLC and, based on its own opinion and such consultations, United believes that the 2021 United Project Components can be constructed at or below estimated costs and within the estimated project schedule. In the event that the proceeds of the Series 2021B-1 Bonds and the proceeds of Additional Bonds issued for such purpose, if any, are not sufficient to pay for the completion of the 2021 United Project Components, United is obligated under the Lease to pay for the completion of such facilities from its own funds.

### **Description of the Prior Special Facilities and Facilities in Terminal D Financed with Prior Bond Proceeds**

Proceeds of the Prior Bonds were used by United to acquire, construct and install certain improvements to Terminals B, C and D at the Airport.

Collectively, the improvements in Terminals B and C that were financed or refinanced with the proceeds of the Prior Bonds constitute the Prior Special Facilities, and, other than certain Prior Special Facilities that have been demolished and/or relinquished by United to the City, including five jet bridges, a ramp tower, and certain other improvements in Terminal C (the “Relinquished Facilities”), all such facilities currently continue to be leased by United under the Lease. Although United no longer leases the Relinquished Facilities, United continues to be obligated under the Lease to pay sufficient amounts to the City to pay as and when due the principal of, premium, if any, and interest on all outstanding Bonds, including the Prior Bonds issued to finance or refinance the Relinquished Facilities.

The Special Facilities currently leased under the Lease include (1) the 2011 Project, (2) the 2015B-1 Project, and (3) certain Special Facilities located in Terminal B and Terminal C that were originally financed by the Series 97/98B Bonds.

*2011 Project.* The Prior Special Facilities in Terminal B include a linear, two-story South Concourse building, including 30 aircraft gates to serve United’s regional jet operations, retail concessions, passenger holdrooms, and various support facilities. The South Concourse building replaced two previously-existing South circular flight stations at Terminal B, and was completed in March 2014.

*2015B-1 Project.* The Prior Special Facilities also include a two-story North Concourse building at Terminal B to support 11 narrow-body aircraft gates (at least two of which also support wide-body aircraft) with jet bridge loading capability, retail concessions, passenger holdrooms, and various support facilities. The new North Concourse building replaced the ramp-level regional aircraft boarding corridors to the east of the previously existing circular flight stations on the north side of Terminal B, including all 14 regional aircraft boarding areas contained in such boarding corridors and related hardstand aircraft parking positions. The North Concourse building was completed in March 2017. Because the primary access to the North Concourse building of Terminal B for United customers is through the Terminal C ticketing lobby, such concourse is publicly referred to and labeled as Terminal C North.

*Special Facilities located in Terminal B and Terminal C Financed by the Series 97/98B Bonds.* Certain Prior Special Facilities are integrated throughout Terminals B and C, rather than consisting of discrete, independent areas in each terminal that are functionally separate from other areas not financed with the proceeds of the Prior Bonds. Certain of the Series 97/98B Bonds financed the renovation and upgrading of the interiors of Terminal B’s then-existing four circular flight stations, the renovation of United’s ticketing and employee facilities, the installation of ramp information display systems, and the addition of a new airline club facility and a training facility for a regional affiliate of United. The last of these improvements was completed in August 1999. Certain of the Series 97/98B Bonds also financed improvements in Terminal C including a ramp tower, certain lobby renovations, improvements to certain passenger holdroom facilities, and certain baggage system improvements, which baggage system improvements will be replaced by the Terminal C BHS.

The improvements in Terminal D that were financed with the proceeds of the Series 97/98B Bonds, all of which have been completed, were more minor, and included various improvements to the airline club facility and ticketing and check-in facilities. Although United continues to use and lease premises in Terminal D under the International Facilities Agreement, United no longer uses the facilities in Terminal D that were financed with the proceeds of the Prior Bonds, and such facilities have been leased by the City to other tenants and are no longer considered to be “Special Facilities” under the Lease. Revenues received by the City from such other tenants are not pledged to the payment of the Bonds, but United’s obligation to make Special Facilities Payments with respect to the Prior Bonds issued to finance or refinance improvements in Terminal D has not been affected by United ceasing to use such facilities, and United remains obligated to pay Special Facilities Payments to the City in sufficient amounts to pay as and when due the principal of, premium, if any, and interest on all outstanding Bonds, including the Prior Bonds issued to finance or refinance the construction of improvements in Terminal D.

## **The Lease; Related Lease Arrangements**

*Special Facilities; Other Related Facilities.* Pursuant to the Lease, United leases from the City the Special Facilities in Terminal B (including certain Prior Special Facilities financed with the proceeds of the Prior Bonds and any future Special Facilities in Terminal B), the Existing Terminal B Improvements, the 2021 United Project Components, and the ground areas upon which, and, with respect to the EBS, the air space within which, all such improvements are located. In addition, United leases from the City under the Lease the Prior Special Facilities in Terminal C that were financed with the proceeds of the Series 97/98B Bonds. See “—Description of the 2021 United Project Components and United Funded Equipment” and “—Description of the Prior Special Facilities and Facilities in Terminal D Financed with Prior Bond Proceeds” above.

*Term (Baggage Handling System Elements).* The term of the Lease with respect to the Terminal C BHS portion of the 2021 United Project Components will end on March 20, 2042, may not be extended, and, if United fails to exercise its right to extend the Terminal C Lease and Use Agreement to a date on or after March 20, 2042, the term of the Lease with respect to the Terminal C BHS will instead end on December 31, 2037. If United fails to exercise its right to extend the Terminal C Lease and Use Agreement to a date on or after March 20, 2042, then (i) if the City pays United a buyout cost for the Terminal C BHS as calculated in the Lease, then the term of the Lease with respect to the Terminal C BHS will expire on December 31, 2037, or (ii) if the City does not pay United the buyout cost on or before December 31, 2037, then the term of the Lease with respect to the Terminal C BHS will continue until the earlier of the date the City pays United the buyout cost and March 20, 2042. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Lease and Term—Term of Lease; Options to Extend.” The term of the Lease with respect to the Terminal C BHS portion of the 2021 United Project Components may also be terminated earlier on account of an event of default under the Lease. See “THE SERIES 2021B-1 BONDS—Extraordinary Required Redemption of the Series 2021B-1 Bonds.”

The term of the Lease with respect to the EBS portion of the 2021 United Project Components will also end on March 20, 2042, unless terminated earlier on account of an event of default thereunder or extended upon the satisfaction of certain conditions, provided that in no event shall the term of the Lease with respect to these facilities, as extended, extend beyond November 16, 2051. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Lease and Term—Term of Lease; Options to Extend.”

*Term (Terminal B Elements).* The term of the Lease (i) with respect to the 2011 Project and the Prior Special Facilities located in Terminal B and financed with the proceeds of the Series 97/98B Bonds will end November 16, 2041 and (ii) with respect to the Series 2015B-1 Project will end on March 20, 2042, unless, in each case, terminated earlier on account of an event of default thereunder or extended upon the satisfaction of certain conditions. With respect to the remaining portions of Terminal B that do not constitute Special Facilities but on which specified improvements may be constructed at a later date, the term of the Lease will end on December 31, 2024, unless United elects to construct such improvements by such date, in which case the expiration of the Lease term for such portions of Terminal B will be the twenty-fifth anniversary of the substantial completion of such improvements, unless terminated earlier on account of an event of default or extended upon the satisfaction of certain conditions. In the event that the term of the Lease expires on December 31, 2024 with respect to such facilities (which do not include any Special Facilities leased to United as of the date hereof), such expiration will not require that any Bonds be redeemed. Notwithstanding the foregoing, in no event will the term of the Lease with respect to any facilities extend

beyond November 16, 2051. For a description of potential events of default under the Lease, see APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Events of Default and Remedies.”

*Term (Terminal C Elements Financed by Prior Bonds).* The term of the Lease with respect to the portions of the Prior Special Facilities located in Terminal C and financed with the proceeds of the Series 97/98B Bonds will continue until December 31, 2027, unless terminated earlier on account of an event of default thereunder. For a description of potential events of default under the Lease, see APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Events of Default and Remedies.” In addition, United has the option to extend the Lease term with respect to such facilities, subject to applicable federal tax laws and state laws and the issuance of a legal opinion of nationally-recognized bond counsel stating that such extension of the term will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income of the holders thereof for federal income tax purposes, for additional periods of no greater than five years each, provided that in no event shall the term of the Lease with respect to such facilities, as extended, extend beyond November 16, 2051.

*Rentals.* Under the Lease, for so long as any Bonds remain outstanding, United will continue to be obligated to pay Special Facilities Payments to the Trustee, as assignee of the City, in an amount that is sufficient to pay as and when due the principal of, premium, if any, and interest on the outstanding Bonds, including the Series 2021B-1 Bonds. In addition, under the Lease, United will be obligated to pay directly to the City (i) certain Ground Rentals for the right to use and occupy the ground areas underlying the Special Facilities located in Terminal B, and the air space and related ground areas for the EBS, (ii) certain City Charges with respect to operating and maintenance expenses and other charges in connection with the Special Facilities located in Terminal B and the EBS, and (iii) certain Landing Fees based on the total landed weight of United’s aircraft operating at the Airport. United’s payments of the Special Facilities Payments, but not the Ground Rentals, City Charges, Landing Fees or any other rentals or charges under agreements other than the Lease, will constitute the principal security for the Series 2021B-1 Bonds. See “SECURITY FOR THE SERIES 2021B-1 BONDS—Special Facilities Payments” herein.

*Potential Relinquishment of Future Terminal B North Concourse Gates Based on Utilization.* Under the Lease, beginning April 1, 2022, the City, at its option and in order to accommodate the needs of other airline users of the Airport, may require United to relinquish, and sublease back to the City, certain gates in the Terminal B North Concourse financed by the Series 2015B-1 Bonds and related support areas if United does not maintain a specified average utilization of its gates in the Terminal B North Concourse for the immediately preceding 12-month period. In addition, United would have the right (upon 90 days’ notice) to take back any relinquished gates and associated space in certain circumstances. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—City’s Right to Review Space Utilization in Terminal B North Concourse and Take Back Space; Sublease of Certain Special Facilities to City.”

Any sublease rental amounts that are paid or payable to United by the City in the event of any relinquishment of gates would not be pledged to the payment of the Bonds. However, no relinquishment of gates would relieve United of any of its obligations under the Lease, including particularly its obligation to pay the full amount of Special Facilities Payments when due thereunder and all of its other obligations with respect to the Bonds, including the Series 2021B-1 Bonds. See “SECURITY FOR THE SERIES 2021B-1 BONDS—Special Facilities Payments” herein, and APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Special Facilities Payments; Other Rent and Charges.” Any relinquished gates would continue to constitute Special Facilities under the Lease, and thus would be subject to the City’s obligation in certain circumstances to use commercially reasonable efforts to relet such facilities for the benefit of bondholders upon a default by United under the Lease. See “SECURITY FOR THE SERIES 2021B-1 BONDS—Reletting” herein.

United’s lease of the gates in the South Concourse of Terminal B financed by the Series 2011 Bonds is not conditioned upon United maintaining a certain utilization of such gates, and the City does not have the right to require United’s relinquishment of such gates during the term of the Lease.



## THE SERIES 2021B-1 BONDS

### General

The Series 2021B-1 Bonds will be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

The Series 2021B-1 Bonds will mature on the date and in the principal amount, and bear interest at the rate per annum, shown on the inside cover page hereto. Interest on the Series 2021B-1 Bonds will accrue from the Date of Delivery, payable on each January 15 and July 15, commencing January 15, 2022, until maturity or earlier redemption. Interest on the Series 2021B-1 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2021B-1 Bonds will mature on their stated dates unless redeemed prior to such dates, as described herein. For as long as the Series 2021B-1 Bonds are book-entry bonds held in the custody of The Depository Trust Company (“DTC”), as described in APPENDIX E—“BOOK-ENTRY-ONLY SYSTEM,” payment of the principal of, premium, if any, and interest on the Series 2021B-1 Bonds and all notices with respect to the Series 2021B-1 Bonds shall be made and given in accordance with DTC’s operational arrangements. If, in the future, the Series 2021B-1 Bonds cease to be book-entry bonds, the principal of any Series 2021B-1 Bond will be payable, on presentation and surrender of such Series 2021B-1 Bond, in lawful money of the United States of America, without exchange or collection charges to the registered owner of such Series 2021B-1 Bond, at the corporate trust office of the Trustee, as the paying agent for the Series 2021B-1 Bonds. All interest accruing prior to maturity on any Series 2021B-1 Bond that ceases to be a book-entry bond shall be paid by check mailed to the registered owner of such Series 2021B-1 Bond as of December 31 (with respect to interest payments on the following January 15) or June 30 (with respect to interest payments on the following July 15) at such registered owner’s address as it appears on the registration books of the Trustee.

Except as described in APPENDIX E—“BOOK-ENTRY-ONLY SYSTEM,” the transfer of any Series 2021B-1 Bonds shall be registerable only upon presentation and surrender thereof at the corporate trust office of the Trustee, acting in its capacity as bond registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered owner or his authorized representative in form satisfactory to the Trustee. Upon due presentation of any Series 2021B-1 Bond for registration of transfer, the Trustee shall authenticate and deliver in exchange therefor a new Series 2021B-1 Bond or Series 2021B-1 Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount, and bearing or accruing interest at the same rate as the Series 2021B-1 Bond or Series 2021B-1 Bonds so presented and surrendered. The City or the Trustee may require the registered owner of any Series 2021B-1 Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the registration of transfer or exchange of such Series 2021B-1 Bond.

The City, the Trustee, and any other person may treat the person in whose name any Series 2021B-1 Bond is registered as the absolute registered owner of such Series 2021B-1 Bond for the purpose of making payment of the principal of and premium, if any, on such Series 2021B-1 Bond, and for the further purpose of making payment of interest thereon, for the purpose of giving notice to the holder of such Series 2021B-1 Bond, and for all other purposes, whether or not such Series 2021B-1 Bond is overdue, and neither the City nor the Trustee shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the registered owner of any Series 2021B-1 Bond in accordance with the Trust Indenture shall be valid and effectual and shall discharge the liability of the City and the Trustee upon such Series 2021B-1 Bond to the extent of the sums paid.

### Redemption of the Series 2021B-1 Bonds

#### *Optional Redemption*

The Series 2021B-1 Bonds are subject to redemption prior to maturity at the option of the City, upon the request of United, on any date on or after July 15, 2029, in whole or in part, at a redemption price equal to the principal amount of the Series 2021B-1 Bonds to be redeemed, plus accrued interest to (but not including) the date fixed for redemption.

### *Mandatory Sinking Fund Redemption*

The Series 2021B-1 Bonds are subject to mandatory redemption prior to maturity in the following amounts (subject to reduction as hereinafter provided), on the following dates, at a price equal to the principal amount of such Series 2021B-1 Bonds to be redeemed plus accrued interest to (but not including) the applicable mandatory redemption date, subject to the conditions set forth below:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount to be Redeemed
2032	\$18,200,000
2033	18,940,000
2034	19,715,000
2035	20,520,000
2036	21,355,000
2037	22,230,000
2038	23,135,000
2039	24,080,000
2040	25,060,000
2041*	26,085,000
*Maturity	

On or before 30 days prior to each mandatory redemption date set forth above, the Trustee shall (i) determine the principal amount of the Series 2021B-1 Bonds that must be mandatorily redeemed on such mandatory redemption date, after taking into account all prior deliveries for cancellation (including redemptions) as more fully provided for below, (ii) select, by lot or other customary random method (subject to DTC operational requirements for Series 2021B-1 Bonds held by DTC), the Series 2021B-1 Bonds or portions thereof of such maturity to be mandatorily redeemed on such mandatory redemption date, and (iii) give notice of such redemption as provided below. The principal amount of any Series 2021B-1 Bonds to be mandatorily redeemed on a mandatory redemption date may be reduced, at the option of the City upon direction from United and with prior notice to the Trustee, by the principal amount of such Series 2021B-1 Bonds which, by the 45th day prior to such mandatory redemption date, either (a) have been purchased in the open market and delivered or tendered for cancellation by or on behalf of the City to the Trustee, or (b) have been redeemed by the City and cancelled by the Trustee and which, in either case of (a) or (b), have not previously been made the basis for a reduction under this sentence.

### *Extraordinary Required Redemption of the Series 2021B-1 Bonds*

The Series 2021B-1 Bonds are subject to extraordinary required redemption at a redemption price equal to the principal amount of such Series 2021B-1 Bonds to be redeemed plus accrued interest, if any, to the redemption date, under the following circumstances:

- (i) on any date, in whole or in part in the event all or any part of the facilities comprising the 2021 United Project Components is damaged or destroyed, or taken or condemned in any eminent domain or like proceeding, from such insurance or condemnation proceeds as may be provided pursuant to the Lease, to the extent any such proceeds are not used to rebuild the 2021 United Project Components, in accordance with the Lease (see “SECURITY FOR THE SERIES 2021B-1 BONDS—Insurance Proceeds, Condemnation and Related Matters” below); or
- (ii) on any date, in whole in the event of any termination or cancellation of the Lease in its entirety (see APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Events of Default and Remedies”); or
- (iii) on any date, in whole or in part, if United determines, as evidenced by a resolution adopted by its Board of Directors in its sole discretion, that the continued operation of the 2021 United Project Components or a substantial portion thereof, is impractical, uneconomical or undesirable for

any reason, provided that United shall have deposited sufficient funds with the Trustee to accomplish such a redemption; or

(iv) on any date, in whole or in part, at any time not later than 120 days after interest on the Series 2021B-1 Bonds shall be finally determined, upon the basis of a ruling of the Internal Revenue Service (which ruling is not challenged by appropriate proceedings) or a final determination by a court of competent jurisdiction (which is not or cannot be appealed), to be includable in gross income for federal income tax purposes (except with respect to interest on any Series 2021B-1 Bond during such time that it is held by any registered owner who is a “substantial user” of the facilities financed or refinanced with the proceeds of the Series 2021B-1 Bonds or a “related person” to such a “substantial user,” as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended) as a result of the failure of United to comply with its obligations under the Lease (a “Determination of Taxability”). The Series 2021B-1 Bonds will be redeemed in whole upon a Determination of Taxability, unless in the opinion of nationally recognized bond counsel, redemption of a portion of such Series 2021B-1 Bonds would have the result that interest payable on the Series 2021B-1 Bonds remaining outstanding after redemption would not be so included in the gross income for federal income tax purposes, in which event only such portion will be redeemed; or

(v) on December 31, 2037, the BHS Portion of the outstanding principal amount of the Series 2021B-1 Bonds, if, by June 30, 2037, United does not exercise its right to extend the term of the Terminal C Lease and Use Agreement to a date on or after March 20, 2042. As used in this clause, “BHS Portion” means 49%, which equals the proportion of Series 2021B-1 Bond proceeds expected to be expended on the Terminal C BHS divided by the total expected proceeds of the Series 2021B-1 Bonds.

## **Redemption Procedures**

Notice of any such optional, mandatory or extraordinary required redemption identifying the Series 2021B-1 Bonds to be redeemed, shall be given in writing, in the name of the City and at the expense of United, by the Trustee by first-class mail, postage prepaid to the registered owners of all of the Series 2021B-1 Bonds to be so redeemed not less than thirty (30) days before the date fixed for redemption and shall be given in writing by the City to the Trustee not less than forty-five (45) days before the date fixed for redemption or such shorter period acceptable to the Trustee in its sole discretion. Notice of redemption shall also be sent to any securities depository institutions registered under the Securities Exchange Act of 1934, as amended, acting as securities depository for the Series 2021B-1 Bonds, and such notice shall be delivered to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System. Each redemption notice shall contain the name of the Series 2021B-1 Bonds, CUSIP numbers, certificate numbers (if any), the date fixed for redemption, the redemption price, the redemption agent’s name and address with a contact telephone number, the date of issuance, and the maturity date, and may contain any other information appropriate to identify the Series 2021B-1 Bonds to be redeemed, and, with respect to optional redemption only, shall specify any condition to the redemption. If such written notice of redemption is given, and if due provision for payment of the redemption price is made by the City with the Trustee or escrow agent (as applicable), all as provided above, the Series 2021B-1 Bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid by the Trustee with the funds so provided for such payment. Pursuant to a notice provided for under the Trust Indenture, optional redemption of the Series 2021B-1 Bonds may be conditioned upon a deposit of funds sufficient to pay the Series 2021B-1 Bonds scheduled to be redeemed prior to maturity, and may be made subject to any other condition specified by the City in the notice of redemption. If due provision for such payment is not made or if any specified condition is not satisfied by the date fixed for optional redemption, the Series 2021B-1 Bonds shall continue to bear interest and remain outstanding and the applicable redemption notice shall have no effect.

In the event of any optional redemption of less than all of the Series 2021B-1 Bonds outstanding, the particular maturity and principal amount of the Series 2021B-1 Bonds to be redeemed shall be selected by United, or if not so selected then by lot or other customary method determined by the Trustee (subject to DTC operational requirements for bonds held by DTC) and the reduction in principal amount of Series 2021B-1 Bonds to be

mandatorily redeemed on any mandatory redemption date as a result of any such redemption of less than all of the Series 2021B-1 Bonds shall be made as provided under “—*Mandatory Sinking Fund Redemption*” above. In the event of any extraordinary required redemption of less than all of the Series 2021B-1 Bonds outstanding, the particular maturity and principal amount of the Series 2021B-1 Bonds to be redeemed shall be determined by the Trustee, allocating the principal amount to be redeemed as nearly as feasible pro rata among the maturities (and among mandatory redemption requirements within maturities) and interest rates of all Series 2021B-1 Bonds (subject to DTC operational requirements for bonds held by DTC). The portion of any Series 2021B-1 Bonds to be redeemed shall be in integral multiples of \$5,000, provided that no such redemption shall leave any Series 2021B-1 Bond outstanding in an amount less than \$100,000.

## **SECURITY FOR THE SERIES 2021B-1 BONDS**

Pursuant to the Trust Indenture, the City has assigned to the Trustee, for the benefit of the holders of the Bonds, including the Series 2021B-1 Bonds, and to secure the due payment of the principal of, premium, if any, and interest on the Bonds, including the Series 2021B-1 Bonds, all of its right, title and interest in and to certain Pledged Revenues, including (i) all Special Facilities Payments received or receivable from United by the City under the Lease, (ii) certain net receipts derived by the City from the exercise of any right, obligation or remedy specified or permitted in the Lease, including the potential reletting of the Special Facilities, related ground areas (and air space associated with the EBS) and United Funded Equipment to a replacement tenant or tenants following an event of default by United under the Lease, (iii) any insurance proceeds or refunds and all condemnation awards related to the Special Facilities available or payable to the City pursuant to the Lease, and (iv) any amounts on deposit in certain funds and accounts held by the Trustee under the Trust Indenture, including, without limitation, the Acquisition Fund and the Interest and Redemption Fund.

**The Series 2021B-1 Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City’s home rule charter and shall not be general obligations of the City. The holders of the Series 2021B-1 Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the City’s airport system. In addition, the Series 2021B-1 Bonds shall not constitute obligations of the City’s airport system and no revenues or funds of the City’s airport system are pledged or will be made available to repay any of the Series 2021B-1 Bonds.**

AN INVESTMENT IN THE SERIES 2021B-1 BONDS INVOLVES SIGNIFICANT RISKS. See “CERTAIN BONDOWNERS’ RISKS” herein.

A more detailed description of certain of the Pledged Revenues and other matters related to the security for the Series 2021B-1 Bonds follows.

### **Special Facilities Payments**

Under the Lease, for so long as any Bonds remain outstanding under the Trust Indenture, United is obligated to pay Special Facilities Payments to the Trustee, as assignee of the City, in an amount that (together with other amounts on deposit in the Interest and Redemption Fund established under the Trust Indenture in excess of the amount then needed to pay previously-matured interest, principal, and redemption premiums, if any) is sufficient to pay as and when due the principal of, premium, if any, and interest on the outstanding Bonds, including the Series 2021B-1 Bonds.

The Lease provides that United’s obligation to make payments of Special Facilities Payments when due is absolute and unconditional and will not be subject to any right of recoupment or offsets and will continue in any event (including failure to complete construction of any Special Facilities intended to be constructed using the proceeds of any Bonds).

United is required to pay the Special Facilities Payments to the City by depositing such funds directly with the Trustee for the account of the Interest and Redemption Fund under the Trust Indenture. United is also obligated under the Lease to pay to the City (i) certain Ground Rentals for the right to use and occupy the ground

areas underlying the Special Facilities located in Terminal B, and certain air space and related ground areas for the EBS, (ii) certain City Charges with respect to operating and maintenance expenses and other charges with respect to the Special Facilities located in Terminal B and the EBS, and (iii) certain Landing Fees based on the total landed weight of United's aircraft operating at the Airport. United will also continue to be obligated to pay other additional rentals to the City under its separate lease agreements with the City with respect to the terminals and other non-terminal facilities at the Airport. Such Ground Rentals, City Charges, Landing Fees and other additional rentals will not be part of the Pledged Revenues under the Trust Indenture and will not constitute security for the Series 2021B-1 Bonds. See APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Special Facilities Payments; Other Rent and Charges."

Payments of Special Facilities Payments by United under the Lease will constitute the principal security for the payment of the principal of, premium, if any, and interest on the Series 2021B-1 Bonds. The ability of United to pay such Special Facilities Payments will be dependent upon the financial condition and results of operations of United. For a description of certain risks relating to United and its ability to pay Special Facilities Payments under the Lease, see "CERTAIN BONDOWNERS' RISKS—Obligation of United as Primary Security; Certain Risks with Respect to United" "—Risk Factors Relating to United" and "—Possible Limitations on Damages Against United Upon a United Bankruptcy" herein.

### **The Guaranty**

The owners of the Series 2021B-1 Bonds also will be entitled to the benefits of the Guaranty from United to the Trustee, under which United will unconditionally guarantee to the Trustee, for the benefit of the owners of the Series 2021B-1 Bonds, the full and prompt payment of the principal of and premium, if any, on the Series 2021B-1 Bonds when and as the same become due and payable as provided in the Trust Indenture, whether at the stated maturity thereof, by redemption, acceleration or otherwise, and the full and prompt payment of the interest on the Series 2021B-1 Bonds when and as the same becomes due and payable as provided in the Trust Indenture. United's obligations under the Guaranty to support payment of the Series 2021B-1 Bonds are solely an obligation of United, and not of UAL or any other existing or future subsidiary of UAL. The obligations of United under the Guaranty are unsecured and are intended to be independent of those set out in the Lease and to be enforceable without regard to the validity or enforceability of the Lease or any obligation of United contained therein. However, a bankruptcy court could limit a claim against United under both the Lease and the Guaranty. See "CERTAIN BONDOWNERS' RISKS—Possible Limitations on Damages Against United Upon a United Bankruptcy" and APPENDIX D—"EXCERPTS OF CERTAIN PROVISIONS OF THE GUARANTY."

### **Reletting**

Pursuant to the Lease and the Trust Indenture, in certain circumstances the City is required to use commercially reasonable efforts to relet the Special Facilities, related ground areas (and air space associated with the EBS), and the United Funded Equipment for the benefit of the Bondholders and the City. Specifically, upon and during the continuance of any circumstance constituting an event of default by United under the Lease, the City may (and is required to, upon a payment default) use commercially reasonable efforts to: (1) complete construction and equipping of the Special Facilities (and apply available proceeds of the Bonds for such purpose); and (2) either (a) operate the Special Facilities and the United Funded Equipment and impose rates and charges on airline tenants, as appropriate, for their availability, operation and maintenance, or (b) sublease the Special Facilities, the United Funded Equipment, and the related ground areas (and air space associated with the EBS) to a replacement tenant or tenants on a net rent lease basis, provided that, in either event, the City shall use commercially reasonable efforts to impose and collect rates and charges or rental rates sufficient to provide for City Charges and Ground Rentals to the same extent as United is obligated to do so and to provide additional amounts equal to the Special Facilities Payments, all for the account of United, holding United liable for the difference between the rents and other amounts payable by United under the Lease and the charges received from airline tenants and/or the rents and other amounts received from any sublessee with respect to the Special Facilities and the United Funded Equipment.

For a description of certain risks associated with the reletting of the United Funded Equipment, see "CERTAIN BONDOWNERS' RISKS—Limitations Upon the City's Ability to Relet the Special Facilities; Availability of Reletting Revenues—Unavailability of United Funded Equipment" herein.

In addition, although the Terminal E BHS does not constitute Special Facilities under the Lease and is not subject to the relet provisions of the Lease, in certain circumstances the Terminal E BHS would be subject to reasonable access and use by a tenant pursuant to the reletting provisions described above. Upon and during the continuance of any circumstance constituting an event of default by United under the Lease, pursuant to the Terminal E Lease, United has agreed to provide reasonable access to and use of the Terminal E BHS to the City and to any tenant of the City pursuant to the reletting provisions described above to the extent that such access and use are necessary for the City to impose and collect rates, charges and rentals in such amounts as United is obligated to pay under the Lease, which rates, charges and rentals will be collected by the City all for the account of United and applied in accordance with the Lease. See “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities; Availability of Reletting Revenues—Integration of Terminal E BHS with Remainder of Multi-Terminal Baggage Handling System” herein.

All proceeds derived by the City from any charges and/or rents (net of City Charges and any Ground Rentals attributable to the period after such reletting commences, and up to the amount of all Special Facilities Payments payable under the Lease) shall be remitted to the Trustee for deposit in the Interest and Redemption Fund to support repayment of the Bonds, including the Series 2021B-1 Bonds, and constitute part of the Pledged Revenues securing repayment of the Bonds, including the Series 2021B-1 Bonds. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Events of Default and Remedies.” See also APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Definitions—Pledged Revenues.” In the event that the amounts received by the City from any reletting are insufficient, after deduction therefrom of City Charges and Ground Rentals, to make all necessary payments of the principal of, redemption premium, if any, and interest on the Bonds (including the Series 2021B-1 Bonds) as and when such amounts become due, the available remaining amounts would be allocated among the outstanding series of Bonds in proportion to the amount of debt service due and payable on each series of Bonds, as and when such payments become due and payable.

Notwithstanding the foregoing, certain legal and practical considerations could inhibit or materially delay the City’s ability to relet the Special Facilities or otherwise derive sufficient receipts therefrom in order to make payments when due in respect of the Series 2021B-1 Bonds. In addition, the amount of any deductions from reletting proceeds for City Charges and Ground Rentals cannot be predicted at this time, may vary from year to year, and could be material in any year (depending, among other things, on market conditions affecting reletting proceeds at the time reletting occurs). See “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities; Availability of Reletting Revenues” and “—Possible Limitations on Damages Against United Upon a United Bankruptcy” herein.

### **Insurance Proceeds, Condemnation and Related Matters**

Pursuant to the Lease, United is obligated to provide and maintain all-risk property insurance covering the Special Facilities in an amount not less than the replacement value of each phase thereof, following the substantial completion thereof. To the extent any insurance proceeds or any condemnation awards are not used to rebuild or repair the applicable Special Facilities, such proceeds shall be used by United to pay the obligations with respect to the outstanding Bonds and other amounts due under the Trust Indenture. See “THE SERIES 2021B-1 BONDS—Redemption of the Series 2021B-1 Bonds” above and APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Liability, Insurance and Condemnation.”

### **Additional Bonds**

Pursuant to the Trust Indenture and the Lease, the City reserves the right to issue one or more series of Additional Bonds (secured on a parity with the Bonds with respect to the pledge of Pledged Revenues), subject only to certain limited conditions specified in the Trust Indenture and the Lease, for the purpose of (1) financing the construction of facilities included in any Deferred Phase, and (2) financing the construction of additional Special Facilities (either in Terminal B or in other parts of the Airport). The City may also issue Refunding Bonds to refund all or any portion of the then-outstanding Bonds, subject to the conditions of the Trust Indenture and the Lease. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Additional Bonds and Refunding Bonds” and APPENDIX C—“CERTAIN PROVISIONS OF THE LEASE—Issuance of Terminal Improvement Bonds; Payment of Costs of Lessee Project Components.”

## **UNITED AIRLINES, INC.**

### **Corporate Structure**

United Airlines Holdings, Inc. (together with its consolidated subsidiaries, “UAL”) is a holding company and its principal, wholly-owned subsidiary is United. United’s operating revenues and operating expenses comprise nearly 100% of UAL’s revenues and operating expenses. In addition, United comprises approximately the entire balance of UAL’s assets, liabilities and operating cash flows.

The obligation to pay any amounts due to support payment of the Series 2021B-1 Bonds will be solely an obligation of United, and not of UAL or any other existing or future direct or indirect subsidiary of UAL.

Unless the context otherwise requires, references to “the Company” herein refer to UAL and United, collectively.

### **General**

The Company transports people and cargo throughout North America and to destinations in Asia, Europe, Africa, the Pacific, the Middle East, and Latin America. UAL, through United and its regional carriers, operates across six continents, with hubs at the Airport, Newark Liberty International Airport, Chicago O'Hare International Airport, Denver International Airport, Los Angeles International Airport, A.B. Won Pat International Airport, San Francisco International Airport and Washington Dulles International Airport.

All of the Company’s domestic hubs are located in large business and population centers, contributing to a large amount of “origin and destination” traffic. The hub and spoke system allows the Company to transport passengers between a large number of destinations with substantially more frequent service than if each route were served directly. The hub system also allows the Company to add service to a new destination from a large number of cities using only one or a limited number of aircraft. As discussed under “—Alliances” below, United is a member of Star Alliance, the world’s largest alliance network.

The novel coronavirus (COVID-19) pandemic, together with the measures implemented or recommended by governmental authorities and private organizations in response to the pandemic, has had an adverse impact that has been material to the Company’s business, operating results, financial condition and liquidity. The full extent of the ongoing impact of COVID-19 on the Company’s longer-term operational and financial performance will depend on future developments, including those outside the Company’s control related to the efficacy and speed of vaccination programs in curbing the spread of the virus in different markets, the introduction and spread of new variants of the virus that may be resistant to currently approved vaccines and the continuation of existing or implementation of new government travel restrictions.

### **Regional Operations**

The Company has contractual relationships with various regional carriers to provide regional aircraft service branded as United Express. This regional service complements the Company’s operations by carrying traffic that connects to Company hubs and allows flights to smaller cities that cannot be provided economically with mainline aircraft. Champlain Enterprises, LLC d/b/a CommutAir, Republic Airline Inc., GoJet Airlines LLC, Mesa Airlines, Inc., SkyWest Airlines, Inc., and Air Wisconsin Airlines LLC are all regional carriers that operate with capacity contracted to United under capacity purchase agreements (“CPAs”). Under these CPAs, the Company pays the regional carriers contractually agreed fees (carrier costs) for operating these flights plus a variable rate adjustment based on agreed performance metrics, subject to annual adjustments. The fees are based on specific rates multiplied by specific operating statistics (e.g., block hours, departures), as well as fixed monthly amounts. Under these CPAs, the Company is also responsible for all fuel costs incurred, as well as landing fees and other costs, which are either passed through by the regional carrier to the Company without any markup or directly incurred by the Company. In some cases, the Company owns some or all of the aircraft subject to the CPA and leases such aircraft to the regional carrier. In return, the regional carriers operate the capacity of the aircraft included within the scope of such CPA exclusively for United, on schedules determined by the Company. The Company also determines pricing and revenue

management, assumes the inventory and distribution risk for the available seats and permits mileage accrual and redemption for regional flights through its MileagePlus loyalty program.

## **Alliances**

United is a member of Star Alliance, a global integrated airline network and the largest and most comprehensive airline alliance in the world. Despite the global challenges posed by the COVID-19 pandemic, Star Alliance carriers continued to serve nearly 1,000 airports in 154 countries with close to 10,000 daily departures as of January 1, 2021. Star Alliance members, in addition to United, are Aegean Airlines, Air Canada, Air China, Air India, Air New Zealand, All Nippon Airways (“ANA”), Asiana Airlines, Austrian Airlines, Aerovías del Continente Americano S.A. (“Avianca”), Brussels Airlines, Copa Airlines, Croatia Airlines, EGYPTAIR, Ethiopian Airlines, EVA Air, LOT Polish Airlines, Lufthansa, SAS Scandinavian Airlines, Shenzhen Airlines, Singapore Airlines, South African Airways, SWISS, TAP Air Portugal, THAI Airways International and Turkish Airlines. In addition to its members, Star Alliance includes Shanghai-based Juneyao Airlines and Thailand-based Thai Smile Airways, a subsidiary of THAI Airways International, as connecting partners.

United has a variety of bilateral commercial alliance agreements and obligations with Star Alliance members, addressing, among other things, reciprocal earning and redemption of frequent flyer miles, access to airport lounges and, with certain Star Alliance members, codesharing of flight operations (whereby one carrier’s selected flights can be marketed under the brand name of another carrier). In addition to the alliance agreements with Star Alliance members, United currently maintains independent marketing alliance agreements with other air carriers, including Aeromar, Aer Lingus, Air Dolomiti, Azul Linhas Aéreas Brasileiras S.A., Boutique Air, Cape Air, Edelweiss, Eurowings, Hawaiian Airlines, Olympic Air, Silver Airways and Vistara.

United also participates in four passenger joint business arrangements (“JBAs”), one with Air Canada and the Lufthansa Group (which includes Lufthansa and its affiliates Austrian Airlines, Brussels Airlines, Eurowings and SWISS) covering transatlantic routes, one with ANA covering certain transpacific routes, one with Air New Zealand covering certain routes between the United States and New Zealand and one with Avianca and Copa Airlines, which, upon regulatory approval, will cover routes between the United States and Central and South America, excluding Brazil. These passenger JBAs enable the participating carriers to integrate the services they provide in the respective regions, capturing revenue synergies and delivering enhanced customer benefits, such as highly competitive flight schedules, fares and services. Separate from the passenger JBAs, United also participates in cargo JBAs with ANA for transpacific cargo services and with Lufthansa for transatlantic cargo services. These cargo JBAs offer expanded and more seamless access to cargo space across the carriers’ respective combined networks.

## **Additional Information**

The Company is subject to the informational requirements of the Exchange Act, and in accordance therewith files annual reports, quarterly reports, current reports, and any amendments to those reports, and other information with the SEC, which may be in the form of combined reports reflecting information about each of United and UAL. Certain information with respect to United and UAL is furnished herein and in APPENDIX A hereto and incorporated therein by reference to materials on file with the SEC. See APPENDIX A—“AVAILABILITY OF CERTAIN INFORMATION RELATING TO UNITED AIRLINES, INC.” Such information has been provided by United and has not been independently verified by the City or the Underwriters, and neither the City nor the Underwriters make any representations or warranties, express or implied, as to the accuracy or completeness of such information. **No information from the Company’s website is incorporated by reference into this document.**

## **CERTAIN BONDOWNERS’ RISKS**

The following section describes certain risk factors affecting the payment of and security for the Series 2021B-1 Bonds. The following discussion is not meant to be an exhaustive list of all the risks associated with the purchase of any Series 2021B-1 Bonds and does not necessarily reflect the relative importance of the various risks. In evaluating the Series 2021B-1 Bonds, potential investors should carefully consider all of the information contained in or incorporated by reference in this Official Statement, including but not limited to the Annual Report on Form 10-K for the Company for the year ended December 31, 2020 (the “2020 Annual Report”), the Quarterly Report on Form



10-Q for the Company for the quarter ended March 31, 2021, the Quarterly Report on Form 10-Q for the Company for the quarter ended June 30, 2021 (the “Q2 2021 Form 10-Q”), and other information which may be incorporated by reference in this Official Statement after the date hereof. In addition to the risk factors set forth below, potential purchasers of the Series 2021B-1 Bonds should consider risk factors set forth under the caption “Risk Factors” contained in the Company’s Q2 2021 Form 10-Q. More information about United may be found at <http://www.sec.gov>. See also “UNITED AIRLINES, INC.” above and APPENDIX A—“AVAILABILITY OF CERTAIN INFORMATION RELATING TO UNITED AIRLINES, INC.”

### **Obligation of United as Primary Security; Certain Risks with Respect to United**

Payments of Special Facilities Payments by United under the Lease and any amounts payable by United under the Guaranty will constitute the principal security for the payment of the principal of, premium, if any, and interest on the Series 2021B-1 Bonds. The obligation of United to make payments of Special Facilities Payments under the Lease and to make payments under the Guaranty will constitute an absolute and unconditional general obligation of United. Payment of such amounts will be dependent upon the financial condition and results of operations of United.

### **Risk Factors Relating to United**

#### *Risks Relating to COVID-19.*

The global pandemic resulting from a novel strain of coronavirus has had an adverse impact that has been material to the Company’s business, operating results, financial condition and liquidity, and the duration and spread of the pandemic could result in additional adverse impacts. The outbreak of another disease or similar public health threat in the future could also have an adverse effect on the Company’s business, operating results, financial condition and liquidity.

The novel coronavirus (COVID-19) pandemic, together with the measures implemented or recommended by governmental authorities and private organizations in response to the pandemic, has had an adverse impact that has been material to the Company’s business, operating results, financial condition and liquidity. Measures such as “shelter in place” or quarantine requirements, international and domestic travel restrictions or advisories, limitations on public gatherings, social distancing recommendations, remote work arrangements and closures of tourist destinations and attractions, as well as consumer perceptions of the safety, ease and predictability of air travel, contributed to a precipitous decline in passenger demand and bookings for both business and leisure travel.

The Company began experiencing a significant decline in international and domestic demand related to COVID-19 during the first quarter of 2020. The decline in demand caused a material deterioration in the Company’s revenues in 2020, resulting in a net loss of \$7.1 billion. The full extent of the ongoing impact of COVID-19 on the Company’s longer-term operational and financial performance will depend on future developments, including those outside the Company’s control related to the efficacy and speed of vaccination programs in curbing the spread of the virus in different markets, the introduction and spread of new variants of the virus that may be resistant to currently approved vaccines, passenger testing requirements, mask mandates or other restrictions on travel, all of which are highly uncertain and cannot be predicted with certainty. In response to decreased demand, the Company cut, relative to 2019 capacity, approximately 57% of its scheduled capacity for 2020. In the second quarter of 2021, scheduled capacity was down approximately 46% versus the second quarter of 2019. However, since March 2021, the Company has seen increasing demand for travel both domestically and in countries where entry is permitted. The Company currently expects scheduled capacity for the third quarter of 2021 to be down 26% compared to the third quarter of 2019. However, as noted above, the full extent of the ongoing impact of COVID-19 on the Company’s longer-term operational and financial performance will depend on future developments, including vaccination programs, new variants of the virus and government-imposed travel restrictions. As such, the Company’s actual flown capacity may differ materially from its currently scheduled capacity.

The Company has taken a number of actions in response to the decreased demand for air travel, including those described in Part I, Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations, of the Company’s Q2 2021 Form 10-Q and in Part II, Item 7 of the 2020 Annual Report. The grants and loans under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), as extended, subject

the Company and its business to certain restrictions, including, but not limited to, restrictions on the payment of dividends and the ability to repurchase UAL's equity securities, requirements to maintain certain levels of scheduled service, requirements to recall certain furloughed employees and maintain U.S. employment levels through September 30, 2021 or the date on which the Company has expended all of the support, whichever is later, and certain limitations on executive compensation. These restrictions and requirements have materially affected and will continue to materially affect the Company's operations, and the Company may not be successful in managing these impacts for the duration of the restrictions. In particular, limitations on executive compensation may impact the Company's ability to attract and retain senior management or attract other key employees during this critical time.

The full extent of the ongoing impact of COVID-19 on the Company's longer-term operational and financial performance and liquidity position will depend on future developments, including the effectiveness of the mitigation strategies discussed above in offsetting decreased demand so long as demand remains suppressed, the duration and spread of COVID-19 in different markets and related governmental actions, the impact of COVID-19 on overall long-term domestic and international demand for air travel, including the impact on overall demand for business travel as a result of increased usage of teleconferencing and other technologies, and the impact of COVID-19 on the financial health and operations of the Company's business partners. All of these future developments are highly uncertain and cannot be predicted with certainty. The COVID-19 pandemic has had a material impact on the Company, and the continuation of reduced demand could have a material adverse effect on the Company's business, operating results, financial condition and liquidity.

In addition, an outbreak of another disease or similar public health threat, or fear of such an event, that affects travel demand, travel behavior or travel restrictions could have a material adverse impact on the Company's business, financial condition and operating results. Outbreaks of other diseases could also result in increased government restrictions and regulation, such as those actions described above or otherwise, which could adversely affect the Company's operations.

COVID-19 has materially disrupted the Company's strategic operating plans in the near-term, and there are risks to its business, operating results and financial condition associated with adjusting and executing its strategic operating plans in the long-term.

COVID-19 has materially disrupted the Company's strategic operating plans in the near-term, and there are risks to its business, operating results and financial condition associated with adjusting and executing its strategic operating plans in the long-term. In recent years, the Company has announced several strategic operating plans, including several revenue-generating initiatives and plans to optimize its revenue, such as its plans to add capacity, including international expansion and new or increased service to mid-size airports, initiatives and plans to optimize and control its costs and opportunities to enhance its segmentation and improve the customer experience at all points in air travel. In the second quarter of 2021, the Company announced the "United Next" plan, including firm orders of 200 Boeing 737 MAX aircraft and 70 Airbus A321neo aircraft, plans to retrofit the remaining mainline, narrow-body fleet to transform the customer experience and create a new signature interior and plans to increase the number of mainline daily departures and available seats across the Company's North American network. In developing its strategic operating plans, the Company makes certain assumptions, including, but not limited to, those related to customer demand, competition, market consolidation, the availability of aircraft and the global economy. Actual economic, market and other conditions have been and may continue to be different from the Company's assumptions. Most significantly, in 2020, the precipitous decline in demand for air travel required the Company to cut, rather than grow, capacity, and materially and adversely impacted the Company's ability to execute its strategic operating plans. The Company has since adjusted its strategic operating plans based on our expectations for increased customer demand with the "United Next" plan. If the Company does not successfully execute or adjust its strategic operating plans in the long-term, or if actual results continue to vary significantly from its assumptions, the Company's business, operating results and financial condition could be materially and adversely impacted.

*Risks Relating to the Company's Business and Industry.*

Unfavorable economic and political conditions, in the United States and globally, may have a material adverse effect on the Company's business, operating results and financial condition.

The Company's business and operating results are significantly impacted by U.S. and global economic and political conditions. The airline industry is highly cyclical, and the level of demand for air travel is correlated to the strength of the U.S. and global economies. Robust demand for the Company's air transportation services depends largely on favorable economic conditions, including the strength of the domestic and foreign economies, low unemployment levels, strong consumer confidence levels and the availability of consumer and business credit. Air transportation is often a discretionary purchase that leisure travelers may limit or eliminate during difficult economic times. Short-haul travelers, in particular, have the option to replace air travel with surface travel. In addition, during periods of unfavorable economic conditions, business travelers historically have reduced the volume of their travel, either due to cost-saving initiatives, the replacement of travel with alternatives such as videoconferencing, or as a result of decreased business activity requiring travel. During such periods, the Company's business and operating results may be adversely affected due to significant declines in industry passenger demand, particularly with respect to the Company's business and premium cabin travelers, and a reduction in fare levels.

As a global business with operations outside of the United States from which it derives significant operating revenues, volatile conditions in certain international regions may have a negative impact on the Company's operating results and its ability to achieve its business objectives. The Company's international operations are a vital part of its worldwide airline network. Political disruptions and instability in certain regions can negatively impact the demand and network availability for air travel. Additionally, any deterioration in global trade relations, such as increased tariffs or other trade barriers, could result in a decrease in the demand for international air travel.

Stagnant or weakening global economic conditions either in the United States or in other geographic regions may have a material adverse effect on the Company's revenues, operating results and liquidity.

The global airline industry is highly competitive and susceptible to price discounting and changes in capacity, which could have a material adverse effect on the Company's business, operating results and financial condition.

The airline industry is highly competitive, marked by significant competition with respect to routes, fares, schedules (both timing and frequency), services, products, customer service and frequent flyer programs. Consolidation in the airline industry, the rise of well-funded government sponsored international carriers, changes in international alliances and the creation of immunized JBAs have altered and are expected to continue to alter the competitive landscape in the industry, resulting in the formation of airlines and alliances with increased financial resources, more extensive global networks and services and competitive cost structures.

Airlines also compete by increasing or decreasing their capacity, including route systems and the number of destinations served. Several of the Company's domestic and international competitors have increased their international capacity by including service to some destinations that the Company currently serves, causing overlap in destinations served, and therefore, increasing competition for those destinations. This increased competition in both domestic and international markets may have a material adverse effect on the Company's business, operating results and financial condition.

The Company's U.S. operations are subject to competition from traditional network carriers, national point-to-point carriers, and discount carriers, including low-cost carriers and ultra-low-cost carriers. Such carriers may have lower costs and provide service at lower fares to destinations also served by the Company. The significant presence of low-cost carriers and ultra-low-cost carriers, which engage in substantial price discounting, may diminish the Company's ability to achieve sustained profitability on domestic and international routes. This level of discounted pricing has also caused the Company to reduce fares for certain routes, resulting in lower yields on many domestic markets. The Company's ability to compete in the domestic market effectively depends, in part, on its ability to maintain a competitive cost structure. If the Company cannot maintain its costs at a competitive level, then its business, operating results and financial condition could continue to be materially and adversely affected. In addition, the Company's competitors have established new routes and destinations, including some at the Company's hub

airports, in light of the expansion opportunities presented by the COVID-19 pandemic, which may compete with the Company's existing routes and destinations and expansion plans.

The Company's international operations are subject to competition from both foreign and domestic carriers. Competition is significant from government subsidized competitors from certain Middle East countries. These carriers have large numbers of international widebody aircraft on order and are increasing service to the U.S. from their hubs in the Middle East. The government support provided to these carriers has allowed them to grow quickly, reinvest in their product, invest in other airlines and expand their global presence. The Company also faces competition from foreign carriers operating under "fifth freedom" rights permitted under international treaties that allow certain carriers to provide service to and from stopover points between their home country and ultimate destination, including points in the United States, in competition with service provided by the Company.

Through alliance and other marketing and codesharing agreements with foreign carriers, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional global gateway cities. Similarly, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities through these relationships. In addition, several JBAs among U.S. and foreign carriers have received grants of antitrust immunity allowing the participating carriers to coordinate schedules, pricing, sales and inventory. If the Company is not able to continue participating in these types of alliance and other marketing and codesharing agreements in the future, its business, operating results and financial condition could be materially and adversely affected.

The Company's MileagePlus frequent flyer program benefits from the attractiveness and competitiveness of United as a material purchaser of award miles, and the majority recipient for mileage redemption. If the Company is not able to maintain a competitive and attractive airline business, its ability to acquire, engage and retain customers in the loyalty program may be adversely affected, which could adversely affect the loyalty program's operating results and financial condition.

Further, the Company's MileagePlus frequent flyer program also faces significant and increasing direct competition from the frequent flyer programs offered by other airlines, as well as from similar loyalty programs offered by banks and other financial services companies. Competition among loyalty programs is intense regarding customer acquisition incentives, the value and utility of program currency, rewards range and value, fees, required usage, and other terms and conditions of these programs. If the Company is not able to maintain a competitive frequent flyer program, its ability to attract and retain customers to MileagePlus and United alike may be adversely affected, which could adversely affect its enterprise operating results and financial condition.

High and/or volatile fuel prices or significant disruptions in the supply of aircraft fuel could have a material adverse impact on the Company's strategic plans, operating results, financial condition and liquidity.

Aircraft fuel is critical to the Company's operations and is one of its largest operating expenses. During the year ended December 31, 2020, the Company's fuel expense was approximately \$3.2 billion. The timely and adequate supply of fuel to meet operational demand depends on the continued availability of reliable fuel supply sources, as well as related service and delivery infrastructure. Although the Company has some ability to cover short-term fuel supply and infrastructure disruptions at some major demand locations, it depends significantly on the continued performance of its vendors and service providers to maintain supply integrity. Consequently, the Company can neither predict nor guarantee the continued timely availability of aircraft fuel throughout the Company's system.

Aircraft fuel has historically been the Company's most volatile operating expense due to the highly unpredictable nature of market prices for fuel. The Company generally sources fuel at prevailing market prices. Market prices for aircraft fuel have historically fluctuated substantially in short periods of time and continue to be highly volatile due to a dependence on a multitude of unpredictable factors beyond the Company's control. These factors include changes in global crude oil prices, the balance between aircraft fuel supply and demand, natural disasters, prevailing inventory levels and fuel production and transportation infrastructure. Prices of fuel are also impacted by indirect factors, such as geopolitical events, economic growth indicators, fiscal/monetary policies, fuel tax policies, changes in regulations, environmental concerns and financial investments in energy markets. Both actual changes in these factors, as well as changes in related market expectations, can potentially drive rapid changes in fuel prices in short periods of time.

Given the highly competitive nature of the airline industry, the Company may not be able to increase its fares and fees sufficiently to offset the full impact of increases in fuel prices, especially if these increases are significant, rapid and sustained. Further, any such fare or fee increase may not be sustainable, may reduce the general demand for air travel and may also eventually impact the Company's strategic growth and investment plans for the future. In addition, decreases in fuel prices for an extended period of time may result in increased industry capacity, increased competitive actions for market share and lower fares or surcharges. If fuel prices were to then subsequently rise quickly, there may be a lag between the rise in fuel prices and any improvement of the revenue environment.

To protect against increases in the market prices of fuel, the Company may hedge a portion of its future fuel requirements. The Company does not currently hedge its future fuel requirements. However, to the extent the Company decides to start a hedging program, such hedging program may not be successful in mitigating higher fuel costs, and any price protection provided may be limited due to the choice of hedging instruments and market conditions, including breakdown of correlation between hedging instrument and market price of aircraft fuel and failure of hedge counterparties. To the extent that the Company decides to hedge a portion of its future fuel requirements and uses hedge contracts that have the potential to create an obligation to pay upon settlement if fuel prices decline significantly, such hedge contracts may limit the Company's ability to benefit fully from lower fuel prices in the future. If fuel prices decline significantly from the levels existing at the time the Company enters into a hedge contract, the Company may be required to post collateral (margin) beyond certain thresholds. There can be no assurance that the Company's hedging arrangements, if any, will provide any particular level of protection against rises in fuel prices or that its counterparties will be able to perform under the Company's hedging arrangements. Additionally, deterioration in the Company's financial condition could negatively affect its ability to enter into new hedge contracts in the future.

The Company relies heavily on technology and automated systems to operate its business and any significant failure or disruption of, or failure to effectively integrate and implement, the technology or these systems could materially harm its business.

The Company depends on automated systems and technology to operate its business, including, but not limited to, computerized airline reservation systems, electronic tickets, electronic airport kiosks, demand prediction software, flight operations systems, in-flight wireless internet, cloud-based technologies, revenue management systems, accounting systems, technical and business operations systems, telecommunication systems and commercial websites and applications, including www.united.com and the United Airlines app. United's website and other automated systems must be able to accommodate a high volume of traffic, maintain secure information and deliver important flight and schedule information, as well as process critical financial transactions. These systems could suffer substantial or repeated disruptions due to various events, some of which are beyond the Company's control, including natural disasters, power failures, terrorist attacks, equipment or software failures, cybersecurity attacks or other security breaches. The Company has initiatives in place to prevent disruptions and disaster recovery plans, and it continues to invest in improvements to these initiatives and plans; however, these measures may not be adequate to prevent or mitigate disruptions. Substantial or repeated systems failures or disruptions, including failures or disruptions related to the Company's complex integration of systems, could reduce the attractiveness of the Company's services versus those of its competitors, materially impair its ability to market its services and operate its flights, result in the unauthorized release of confidential or otherwise protected information, negatively impact the Company's reputation among its customers and the public, subject the Company to liability to third parties, regulatory action or contract termination, result in other increased costs, lost revenue and the loss or compromise of important data. As a result, substantial or repeated systems failures or disruptions may adversely affect the Company's business, operating results and financial condition.

The Company may also face challenges in integrating, implementing and modifying the automated systems and technology required to operate its business. As a result of the complexity of such automated systems and technology, the integration, implementation and modification process may require significant expenditures, human resources, the development of effective internal controls and the transformation of business and financial processes. If the Company is unable to timely or effectively integrate, implement or modify its systems and technology, the Company's operations could be adversely affected.

The Company's business relies extensively on third-party service providers, including certain technology providers. Failure of these parties to perform as expected, or interruptions in the Company's relationships with these providers or their provision of services to the Company, could have a material adverse effect on the Company's business, operating results and financial condition.

The Company has engaged third-party service providers to perform a large number of functions that are integral to its business, including regional operations, operation of customer service call centers, distribution and sale of airline seat inventory, provision of information technology infrastructure and services, transmitting or uploading of data, provision of aircraft maintenance and repairs, provision of various utilities and performance of airport ground services, aircraft fueling operations and catering services, among other vital functions and services. The Company does not directly control these third-party service providers, although generally it does enter into agreements that define expected service performance and compliance requirements, such as compliance with legal requirements, including anti-corruption laws; however, there can be no assurance that its third-party service providers will adhere to these requirements.

Any of these third-party service providers, however, may materially fail to meet its service performance commitments to the Company or may suffer disruptions to its systems that could impact its services. For example, failures in certain third-party technology or communications systems may cause flight delays or cancellations. The failure of any of the Company's third-party service providers to perform its service obligations adequately, or other interruptions of services, may reduce the Company's revenues and increase its expenses, prevent the Company from operating its flights and providing other services to its customers or result in adverse publicity or harm to its brand. The Company may also be subject to consequences from any illegal conduct of its third-party service providers, including for their failure to comply with anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act. In addition, the Company's business and financial performance could be materially harmed if its customers believe that its services are unreliable or unsatisfactory.

The Company may also have disagreements with such providers or such contracts may be terminated or may not be extended or renewed. For example, the number of flight reservations booked through third-party global distribution systems ("GDSs") or online travel agents ("OTAs") may be adversely affected by disruptions in the business relationships between the Company and these suppliers. Such disruptions, including a failure to agree upon acceptable contract terms when contracts expire or otherwise become subject to renegotiation, may cause the Company's flight information to be limited or unavailable for display by the affected GDS or OTA operator, significantly increase fees for both the Company and GDS/OTA users and impair the Company's relationships with its customers and travel agencies. Any such disruptions or contract terminations may adversely impact the Company's operations and financial results.

If the Company is not able to negotiate or renew agreements with third-party service providers, or if it renews existing agreements on less favorable terms, the Company's operations and financial results may be adversely affected.

The Company could experience adverse publicity, harm to its brand, reduced travel demand, potential tort liability and voluntary or mandatory operational restrictions as a result of an accident, catastrophe or incident involving its aircraft or its operations, the aircraft or operations of its regional carriers, the aircraft or operations of its codeshare partners, or the aircraft or operations of another airline, which may result in a material adverse effect on the Company's business, operating results and financial condition.

An accident, catastrophe or incident involving an aircraft that the Company operates, or an aircraft that is operated by a codeshare partner, one of the Company's regional carriers or another airline, or an incident involving the Company's operations, or the operations of a codeshare partner, Original Equipment Manufacturers, one of the Company's regional carriers or of another airline, could have a material adverse effect on the Company if such accident, catastrophe or incident created a public perception that the Company's operations, or the operations of its codeshare partners or regional carriers, are not safe or reliable, or are less safe or reliable than other airlines. Additionally, any accident, catastrophe or incident involving an aircraft type that is operated by the Company, its codeshare partners or regional carriers could have a material adverse effect on the Company if such accident, catastrophe or incident creates a public perception that such aircraft type was not safe or reliable. Further, any such accident, catastrophe or incident involving the Company, its regional carriers or its codeshare partners could expose

the Company to significant tort liability. Although the Company currently maintains liability insurance in amounts and of the type the Company believes to be consistent with industry practice to cover damages arising from any such accident, catastrophe or incident, and the Company's codeshare partners and regional carriers carry similar insurance and generally indemnify the Company for their operations, if the Company's liability exceeds the applicable policy limits or the ability of another carrier to indemnify it, the Company could incur substantial losses from an accident, catastrophe or incident which may result in a material adverse effect on the Company's operating results and financial condition. In addition, any such accident, catastrophe or incident involving the Company, its regional carriers or its codeshare partners could result in operational restrictions on the Company, including voluntary or mandatory groundings of aircraft. For example, the Company decided to voluntarily ground its Boeing 737 aircraft following certain electrical issues, and in February 2021, the FAA issued an Emergency Airworthiness Directive regarding certain Boeing 777 Pratt & Whitney powered aircraft. The resulting public perceptions of the safety of its operations and the reliability of certain Boeing 777 Pratt & Whitney powered aircraft and Boeing 737 aircraft, including the new Boeing 737 MAX 8 aircraft and Boeing 737 MAX 10 aircraft that the Company ordered in the second quarter of 2021, could adversely affect the Company's business. A prolonged period of time operating a reduced fleet in these circumstances could result in a material adverse effect on the Company's operating results and financial condition.

In addition, the outbreak and spread of the COVID-19 pandemic have adversely impacted customer perceptions of the health and safety of travel and these negative perceptions could continue even after the pandemic subsides. Actual or perceived risk of infection on the Company's flights, at airports and during other travel-related activities has had, and may continue to have, a material adverse effect on the public's perception of the Company, which has harmed, and may continue to harm, its reputation and business. The Company has incurred, and expects that it will continue to incur, COVID-19-related costs as the Company sanitizes aircraft, implements additional hygiene-related protocols and takes other actions to limit the threat of infection among its employees and passengers and combats negative customer perceptions of the health and safety of travel on the Company's aircraft and at its terminals. Negative public perceptions could, in turn, result in adverse publicity for the Company, cause harm to the Company's brand and reduce travel demand on the Company's flights, or the flights of its codeshare partners or regional carriers.

Terrorist attacks, international hostilities or other security events, or the fear of terrorist attacks or hostilities, even if not made directly on the airline industry, could negatively affect the Company and the airline industry.

Terrorist attacks or international hostilities, even if not made on or targeted directly at the airline industry, or the fear of or the precautions taken in anticipation of such attacks (including elevated national threat warnings, travel restrictions, selective cancellation or redirection of flights and new security regulations) could materially and adversely affect the Company and the airline industry. Security events pose a significant risk to the Company's passenger and cargo operations. These events could include acts of violence in public areas that the Company cannot control. The Company's financial resources may not be sufficient to absorb the adverse effects of any future terrorist attacks, international hostilities or other security events. Any such events could have a material adverse impact on the Company's financial condition, liquidity and operating results. In addition, due to threats against the aviation industry, the Company has incurred, and may continue to incur, significant expenditures to comply with security-related requirements to mitigate the threats and ensure the safety of its employees and customers. With the need to implement proper security measures, and the need to ensure the efficacy and efficiency of security inspection throughout to support the pace of its operations, it is unlikely that the Company will be able to capture all security-related costs through increased fares, which could adversely affect its operating results.

Increasing privacy and data security obligations or a significant data breach may adversely affect the Company's business.

In the Company's regular business operations, it collects, processes, stores and transmits to commercial partners sensitive data, including personal information of its customers and employees such as payment processing information and information of its business partners. The Company depends on the ability to use information it collects to provide its services and operate its business.

The Company must manage increasing legislative, regulatory and consumer focus on privacy issues and data security in a variety of jurisdictions across the globe. For example, the European Union's (the "EU") General

Data Protection Regulation imposes significant privacy and data security requirements, as well as potential for substantial penalties for non-compliance that have resulted in substantial adverse financial consequences to non-compliant companies. Also, some of the Company's commercial partners, such as credit card companies, have imposed data security standards that the Company must meet. These standards continue to evolve. The Company will continue its efforts to meet its privacy and data security obligations; however, it is possible that certain new obligations or customer expectations may be difficult to meet and could require changes in the Company's operating processes and increase the Company's costs.

Additionally, the Company must manage the increasing threat of continually evolving cybersecurity risks. The Company's network, systems and storage applications, and those systems and applications maintained by its third-party commercial partners (such as credit card companies and international airline partners), may be subject to attempts to gain unauthorized access, breach, malfeasance or other system disruptions, including those involving criminal hackers, denial of service attacks, hacktivists, state-sponsored actors, corporate espionage, employee malfeasance and human or technological error. In some cases, it is difficult to anticipate or to detect immediately such incidents and the damage caused thereby. In addition, as attacks by cybercriminals become more sophisticated, frequent and intense, the costs of proactive defense measures have increased and may continue to increase. In addition, several large organizations recently have been affected by "ransomware" attacks, and these highly publicized events may embolden individuals or groups to target our systems or the third party systems on which we rely. Furthermore, the Company's remote work arrangements make it more vulnerable to targeted activity from cybercriminals and significantly increase the risk of cyberattacks or other security breaches. While the Company continually works to safeguard its internal network, systems and applications, including through risk assessments, system monitoring, cybersecurity and data protection security policies, processes and technologies and employee awareness and training, and require third-party security standards, there is no assurance that such actions will be sufficient to prevent cyberattacks or data breaches.

Any such cyberattacks or data breaches could result in significant costs, including monetary damages, operational impacts, including service interruptions and delays, and reputational harm. Furthermore, the loss, disclosure, misappropriation of or access to sensitive Company information, customers', employees' or business partners' information or the Company's failure to meet its privacy obligations could result in legal claims or proceedings, penalties and remediation costs. A significant data breach or the Company's failure to meet its obligations may adversely affect the Company's operations, reputation, relationships with its business partners, business, operating results and financial condition.

Disruptions to the Company's regional network and United Express flights provided by third-party regional carriers could adversely affect the Company's business, operating results and financial condition.

The Company has contractual relationships with various regional carriers to provide regional aircraft service branded as United Express. These regional operations are an extension of the Company's mainline network and complement the Company's operations by carrying traffic that connects to mainline service and allows flights to smaller cities that cannot be provided economically with mainline aircraft. The Company's business and operations are dependent on its regional flight network, with regional capacity accounting for approximately 14.6% of the Company's total capacity for the year ended December 31, 2020.

Although the Company has agreements with its regional carriers that include contractually agreed performance metrics, each regional carrier is a separately certificated commercial air carrier, and the Company does not control the operations of these carriers. A number of factors may impact the Company's regional network, including weather-related effects, seasonality and any significant declines in demand for air travel services, including as a result of the on-going COVID-19 pandemic.

In addition, the decrease in qualified pilots driven by changes to federal regulations has adversely impacted and could continue to affect the Company's regional flying. For example, the FAA's expansion of minimum pilot qualification standards, including a requirement that a pilot have at least 1,500 total flight hours, as well as the FAA's revised pilot flight and duty time requirements under Part 117 of the Federal Aviation Regulations, have contributed to a smaller supply of pilots available to regional carriers. The decrease in qualified pilots resulting from the regulations as well as factors including a decreased student pilot population and a shrinking U.S. military from



which to hire qualified pilots, could adversely impact the Company's operations and financial condition, and could also require the Company to reduce regional carrier flying.

If, as a result of the COVID-19 pandemic, the pilot shortage or another significant disruption to the Company's regional network, one or more of the regional carriers with which the Company has relationships is unable to perform its obligations over an extended period of time, there could be a material adverse effect on the Company's business, operating results and financial condition.

The Company's significant investments in other airlines, equipment manufacturers and other aviation industry participants, and the commercial relationships that it has with those entities may not produce the returns or results the Company expects.

An important part of the Company's strategy to expand its global network has included making significant investments in other airlines, both domestically and in other parts of the world, as well as in other aviation industry participants, including producers of sustainable aviation fuel, manufacturers of electric and other new generation aircraft. The Company recently announced the formation of United Airlines Ventures ("UAV"), a corporate venture fund through which the Company intends to continue to invest in emerging companies that have the potential to influence the future of travel, concentrating on sustainability concepts that will complement United's goal of net zero emissions by 2050 as well as aerospace developments and innovative technologies. The Company has made investments in participants in various aspects of the aviation industry, including Archer Aviation Inc., Boom Technology Inc., Heart Aerospace, 1PointFive, Inc., Fulcrum BioEnergy, Inc., Journera, Inc. and Clear.

In addition to these investments, the Company has also invested in other airlines and expanded its commercial relationships with these carriers. For example, in January 2019, the Company completed the acquisition of a 49.9% interest in ManaAir LLC ("ManaAir"), which, as of immediately following the closing of that investment, owns 100% of the equity interests in ExpressJet Airlines, LLC ("ExpressJet"). The Company also has minority equity interests in CommutAir and Republic Airways Holdings Inc. See Note 9 to the financial statements included in Part II, Item 8 of the 2020 Annual Report and Note 6 to the financial statements included in Part I, Item I of the Company's Q2 2021 Form 10-Q for additional information regarding its investments in regional airlines. The Company also has significant investments in several Latin American airlines, including in Avianca Holdings, S.A. ("AVH") and BRW Aviation LLC ("BRW"), an affiliate of Synergy Aerospace Corporation and the majority shareholder of AVH, and in Azul Linhas Aéreas Brasileiras S.A. ("Azul"). In the future, the Company's regional and global business strategy could include entering into JBAs, commercial agreements and strategic alliances with other carriers, and possibly making loan transactions with, and non-controlling investments in, such carriers.

These transactions and relationships involve significant challenges and risks. Many of the companies in which the Company has invested are developing new and unproved technology. In addition, the Company faces competition in forming and maintaining relationships with other carriers, since there are a limited number of potential arrangements, and other airlines and industry participants are looking to enter into similar relationships. With regard to some of the airline investments, the Company is dependent on these other carriers for significant aspects of its network in the regions in which they operate. While the Company works closely with these carriers, each is a separately certificated commercial air carrier, and the Company does not have control over their operations, strategy, management or business methods. And not only are these airlines subject to a number of the same risks as the Company's business, which are described elsewhere in the "risk factors" section of this Official Statement, including the impact of the COVID-19 pandemic, competitive pressures on pricing, demand and capacity, changes in aircraft fuel pricing, and the impact of global and local political and economic conditions on operations and customer travel patterns, among others, they are also subject to their own distinct financial and operational risks.

As a result of these and other factors, the Company has not received, and may in the future not receive, satisfactory or expected returns on certain of its investments or repayment of invested or loaned funds. For example, the Company recorded a full credit loss allowance for the Company's \$456 million term loan to BRW following BRW's default on such loan and the subsequent bankruptcy filing of BRW's subsidiary AVH, the parent of Aerovías del Continente Americano S.A. ("Avianca"), and the Company expects to pay \$217 million to Kingsland Holdings Limited if, as expected, BRW defaults on the cooperation payment owed to Kingsland and guaranteed by the Company. In addition, the Company's \$150 million senior secured convertible term loan to AVH, which was subsequently refinanced, or "rolled up", as a Tranche B loan in AVH's \$2 billion debtor-in-possession financing, may

not be repaid, and/or may be converted into new equity of AVH, if and when it emerges from bankruptcy. Finally, as the Company exercised its right to withdraw all aircraft from its capacity purchase agreement with ExpressJet, and, as of October 1, 2020 ExpressJet no longer provides regional capacity services to United, the Company's investment in ManaAir may not be recovered in full or at all. See Notes 8, 9, 11 and 13 to the financial statements included in Part II, Item 8 of the 2020 Annual Report and Notes 6 and 7 to the financial statements included in Part I, Item I of the Company's Q2 2021 Form 10-Q for additional information regarding the Company's investments in AVH and Azul, its capacity purchase arrangements with ExpressJet and the Company's guarantee of the cooperation payment referenced above, respectively.

Further, the Company's investments, including its investments through UAV, may not generate the revenue or operational synergies the Company expects, and they may distract management focus from the Company's operations or other strategic options. The Company may also be subject to consequences from any illegal conduct of JBA partners, including for failure to comply with anti-corruption laws such as the U.S. Foreign Corrupt Practices Act. Furthermore, the Company's relationships with these entities may be subject to the laws and regulations of non-U.S. jurisdictions in which these entities are located or conduct business. In addition, any political or regulatory change in these jurisdictions that negatively impacts or prohibits the Company's arrangements with these entities could have an adverse effect on the Company's operating results or financial condition. Finally, the Company's reliance on other carriers in the regions in which they operate may negatively impact the Company's regional and global operations and results if those carriers continue to be impacted by the COVID-19 pandemic and other general business risks discussed above or perform below the Company's expectations or needs and are not able to effectively mitigate these impacts or restore performance levels.

Any one or more of these events could have a material adverse effect on the Company's operating results or financial condition.

The airline industry may undergo further change with respect to alliances and JBAs or due to consolidations, any of which could have a material adverse effect on the Company.

The Company faces, and may continue to face, strong competition from other carriers due to the modification of alliances and formation of new JBAs. Carriers may improve their competitive positions through airline alliances, slot swaps and/or JBAs. Certain types of airline JBAs further competition by allowing multiple airlines to coordinate routes, pool revenues and costs, and enjoy other mutual benefits, achieving many of the benefits of consolidation. "Open Skies" (meaning all U.S.-flag carriers have access to the destination) agreements, including the longstanding agreements between the United States and each of the EU, Canada, Japan, Korea, New Zealand, Australia, Colombia and Panama, as well as the more recent agreements between the United States and each of Mexico and Brazil, may also give rise to better integration opportunities among international carriers. Movement of airlines between current global airline alliances could reduce joint network coverage for members of such alliances while also creating opportunities for JBAs and bilateral alliances that did not exist before such realignment. Further airline and airline alliance consolidations or reorganizations could occur in the future. The Company routinely engages in analyses and discussions regarding its own strategic position, including current and potential alliances, asset acquisitions and divestitures and may have future discussions with other airlines regarding strategic activities. If other airlines participate in such activities, those airlines may significantly improve their cost structures or revenue generation capabilities, thereby potentially making them stronger competitors of the Company and potentially impairing the Company's ability to realize expected benefits from its own strategic relationships.

Orders for new aircraft typically must be placed years in advance of scheduled deliveries, and changes in the Company's network strategy over time or other factors outside of the Company's control may make aircraft on order less economic for the Company, result in costs related to modification or termination of aircraft orders or cause the Company to enter into orders for new aircraft on less favorable terms, and any inability to accept or integrate new aircraft into the Company's fleet as planned could increase costs or affect the Company's flight schedules.

The Company's orders for new aircraft are typically made years in advance of actual delivery of such aircraft, and the financial commitment required for purchases of new aircraft is substantial. As of June 30, 2021, the Company had firm commitments to purchase 553 new aircraft from The Boeing Company ("Boeing"), Airbus S.A.S ("Airbus") and Embraer S.A. ("Embraer"), as well as related agreements with engine manufacturers,

maintenance providers and others. As of June 30, 2021, the Company's commitments relating to the acquisition of aircraft and related spare engines, aircraft improvements and other related obligations aggregated to a total of approximately \$35.3 billion.

Subsequent to the Company placing an order for new aircraft, the Company's network strategy may change. As a result, the Company's preference for a particular aircraft that it has ordered, often years in advance, may be decreased or eliminated. If the Company were to modify or terminate any of its existing aircraft order commitments, it may be responsible for material liabilities to its counterparties arising from any such modification. In particular, during the second quarter of 2021, the Company announced the firm orders of 200 Boeing 737 MAX aircraft and 70 Airbus A321neo aircraft, which was the largest order in the Company's history, as part of the Company's "United Next" strategy. If future market conditions are not consistent with the Company's expectations for increased customer demand, resulting in a modification or termination of these orders, the Company could incur significant contractual liabilities, and the Company's financial condition could be adversely impacted.

Additionally, the Company may have a need for additional aircraft that are not available under its existing orders. In such cases, the Company may seek to acquire aircraft from other sources, such as through lease arrangements, which may result in higher costs or less favorable terms, or through the purchase or lease of used aircraft. The Company may not be able to acquire such aircraft when needed on favorable terms or at all. Furthermore, if, for any reason, the Company is unable to accept deliveries of new aircraft or integrate such new aircraft into its fleet as planned, the Company may face higher financing and operating costs than planned, or be required to seek extensions of the terms for certain leased aircraft or otherwise delay the exit of other aircraft from its fleet. Such unanticipated extensions or delays may require the Company to operate existing aircraft beyond the point at which it is economically optimal to retire them, resulting in increased maintenance costs, or reductions to the Company's schedule, thereby reducing revenues.

The imposition of new tariffs, or any increase in existing tariffs, on the importation of commercial aircraft that the Company orders may result in higher costs. For example, in October 2019, the United States imposed tariffs on certain imports from the EU, including a customs duty at an ad valorem rate of 10% on new commercial aircraft, which rate, in February 2020, was increased to 15%. These tariffs apply to certain new Airbus aircraft that the Company has on order. Additionally, in December 2020, the United States imposed tariffs on certain aircraft components from France and Germany. In June 2021, the United States and the EU reached an understanding in principle relating to commercial airlines to guide their cooperation with respect to their intent to suspend such tariffs for a period of five years. While the scope and rate of these tariffs are subject to change, if and to the extent these tariffs are imposed on the Company, they could increase the effective cost of, among other things, new Airbus aircraft and aircraft components.

A majority of the Company's aircraft and certain parts are sourced from single suppliers; therefore, the Company would be materially and adversely affected if it were unable to obtain timely deliveries, additional equipment or support from any of these suppliers.

The Company currently sources the majority of its aircraft and many related aircraft parts from Boeing. In addition, the Company's aircraft suppliers are dependent on other suppliers for certain other aircraft parts. Therefore, if the Company is unable to acquire additional aircraft from Boeing, or if Boeing fails to make timely deliveries of aircraft (whether as a result of any failure or delay in obtaining regulatory approval or certification for new model aircraft, such as the 737 MAX 10 aircraft, which has not yet been certified, or manufacturing delays or otherwise) or to provide adequate support for its products, including with respect to the aircraft subject to firm orders under the Company's "United Next" plan, the Company's operations could be materially and adversely affected. The Company is also dependent on a limited number of suppliers for aircraft engines and certain other aircraft parts and could, therefore, also be materially and adversely affected in the event of the unavailability of these engines and other parts.

Union disputes, employee strikes or slowdowns, and other labor-related disruptions could adversely affect the Company's operations and could result in increased costs that impair its financial performance.

United is a highly unionized company. As of June 30, 2021, the Company and its subsidiaries had approximately 84,400 employees, of whom approximately 85% were represented by various U.S. labor organizations.

See Part I, Item 1. Business—Human Capital, of the 2020 Annual Report for additional information on its represented employee groups and collective bargaining agreements.

There is a risk that unions or individual employees might pursue judicial or arbitral claims arising out of changes implemented as a result of the Company entering into collective bargaining agreements with its represented employee groups. There is also a possibility that employees or unions could engage in job actions such as slowdowns, work-to-rule campaigns, sick-outs or other actions designed to disrupt the Company's normal operations, in an attempt to pressure the Company in collective bargaining negotiations. Although the Railway Labor Act makes such actions unlawful until the parties have been lawfully released to self-help, and the Company can seek injunctive relief against premature self-help, such actions can cause significant harm even if ultimately enjoined. Similarly, if the operations of the Company's third-party regional carriers, ground handlers or other vendors are impacted by labor-related disruptions, its operations could be adversely affected. In addition, collective bargaining agreements with the Company's represented employee groups increase the Company's labor costs, which increase could be material.

Extended interruptions or disruptions in service at major airports where the Company operates could have a material adverse impact on the Company's operations.

The airline industry is heavily dependent on business models that concentrate operations in major airports in the United States and throughout the world. An extended interruption or disruption at an airport where the Company has significant operations could have a material impact on its business, financial condition and results of operation.

The Company operates principally through its domestic hubs in Newark Liberty International Airport, Chicago O'Hare International Airport, Denver International Airport, George Bush Intercontinental Airport/Houston, Los Angeles International Airport, A.B. Won Pat International Airport, San Francisco International Airport and Washington Dulles International Airport. Substantially all of its flights either originate in or fly into one of these locations. A significant interruption or disruption in service at one of the Company's hubs or other airports where it has a significant presence resulting from air traffic control ("ATC") delays, weather conditions, natural disasters, growth constraints, relations with third-party service providers, failure of computer systems, disruptions to government agencies or personnel (including as a result of government shutdowns), disruptions at airport facilities or other key facilities used by the Company to manage its operations, labor relations, power supplies, fuel supplies, terrorist activities, international hostilities or otherwise could result in the cancellation or delay of a significant portion of the Company's flights and, as a result, could have a material impact on its business, operating results and financial condition. The Company has minimal control over the operation, quality or maintenance of these services or whether vendors will improve or continue to provide services that are essential to its business.

The Company's operating results fluctuate due to seasonality and other factors associated with the airline industry, many of which are beyond the Company's control.

Due to greater demand for air travel during the spring and summer months, revenues in the airline industry in the second and third quarters of the year are generally stronger than revenues in the first and fourth quarters of the year, which are periods of lower travel demand. The Company's operating results generally reflect this seasonality, but have also been impacted by numerous other factors that are not necessarily seasonal, including, among others, extreme or severe weather, outbreaks of disease or pandemics, ATC congestion, geological events, political instability, terrorism, natural disasters, changes in the competitive environment due to industry consolidation, tax obligations, general economic conditions and other factors. As a result, the Company's quarterly operating results are not necessarily indicative of operating results for an entire year and historical operating results in a quarterly or annual period are not necessarily indicative of future operating results.

The Company may never realize the full value of its intangible assets or its long-lived assets causing it to record impairments that may negatively affect its financial condition and operating results.

In accordance with applicable accounting standards, the Company is required to test its indefinite-lived intangible assets for impairment on an annual basis, or more frequently where there is an indication of impairment. In addition, the Company is required to test certain of its other assets for impairment where there is any indication that an asset may be impaired.

The Company may be required to recognize losses in the future due to, among other factors, extreme fuel price volatility, tight credit markets, government regulatory changes, decline in the fair values of certain tangible or intangible assets, such as aircraft, route authorities, airport slots and frequent flyer database, unfavorable trends in historical or forecasted results of operations and cash flows and an uncertain economic environment, as well as other uncertainties. For example, in 2021, the Company recorded \$59 million of impairments primarily related to 64 Embraer EMB 145LR aircraft and related engines that United is retiring from its regional aircraft fleet, and in 2020, the Company recorded impairment charges of \$130 million for its China routes, primarily as a result of the COVID-19 pandemic and the Company's subsequent suspension of flights to China, \$38 million for its right-of-use asset associated with an embedded aircraft lease under a CPA, primarily as a result of reduced cash flows from the COVID-19 pandemic, and \$94 million related to certain of the Company's fleet of Boeing 757 aircraft, and \$56 million with respect to various cancelled facility, aircraft induction and information technology capital projects as a result of the COVID-19 pandemic's impact on the Company's operations. In addition, in 2019, the Company recorded impairment charges of \$90 million associated with its Hong Kong routes, resulting in the full impairment of these assets. The Company can provide no assurance that a material impairment loss of tangible or intangible assets will not occur in a future period. The value of the Company's aircraft could be impacted in future periods by changes in supply and demand for these aircraft. Such changes in supply and demand for certain aircraft types could result from the grounding of aircraft. An impairment loss could have a material adverse effect on the Company's financial condition and operating results.

Any damage to the Company's reputation or brand image could adversely affect its business or financial results.

The Company operates in a public-facing industry and maintaining a good reputation is critical to its business. The Company's reputation or brand image could be adversely impacted by any failure to maintain satisfactory practices for all of its operations and activities, any failure to achieve and/or make progress toward its environmental and sustainability goals or diversity, equity and inclusion goals, public pressure from investors or policy groups to change its policies, customer perceptions of its advertising campaigns, sponsorship arrangements or marketing programs, customer perceptions of its use of social media, or customer perceptions of statements made by the Company, its employees and executives, agents or other third parties. Damage to the Company's reputation or brand image or loss of customer confidence in its services could adversely affect its business and financial results, as well as require additional resources to rebuild its reputation.

The Company's ability to use its net operating loss carryforwards and certain other tax attributes to offset future taxable income for U.S. federal income tax purposes may be significantly limited due to various circumstances, including certain possible future transactions involving the sale or issuance of UAL common stock, or if taxable income does not reach sufficient levels.

As of December 31, 2020, UAL reported consolidated U.S. federal net operating loss ("NOL") carryforwards of approximately \$11.0 billion.

The Company's ability to use its NOL carryforwards and certain other tax attributes will depend on the amount of taxable income it generates in future periods. As a result, certain of the Company's NOL carryforwards and other tax attributes may expire before it can generate sufficient taxable income to use them in full.

In addition, the Company's ability to use its NOL carryforwards and certain other tax attributes to offset future taxable income may be limited if it experiences an "ownership change" as defined in Section 382 of the Internal Revenue Code of 1986, as amended ("Section 382"). An ownership change generally occurs if certain stockholders increase their aggregate percentage ownership of a corporation's stock by more than 50 percentage points over their lowest percentage ownership at any time during the testing period, which is generally the three-year period preceding any potential ownership change.

In general, a corporation that experiences an ownership change will be subject to an annual limitation on its pre-ownership change NOLs and certain other tax attribute carryforwards equal to the value of the corporation's stock immediately before the ownership change, multiplied by the applicable long-term, tax-exempt rate posted by the IRS. Any unused annual limitation may, subject to certain limits, be carried over to later years, and the limitation may, under certain circumstances, be increased by built-in gains in the assets held by such corporation at

the time of the ownership change. This limitation could cause the Company's U.S. federal income taxes to be greater, or to be paid earlier, than they otherwise would be, and could cause a portion of the Company's NOLs and certain other tax attributes to expire unused. Similar rules and limitations may apply for state income tax purposes.

For purposes of determining whether there has been an "ownership change," the change in ownership as a result of purchases by "5-percent shareholders" will be aggregated with certain changes in ownership that occurred over the three-year period ending on the date of such purchases. Potential future transactions involving the sale or issuance of UAL common stock may increase the possibility that the Company will experience a future ownership change under Section 382. Such transactions may include the exercise of warrants issued in connection with the CARES Act programs, the issuance of UAL common stock upon the conversion of any convertible debt that UAL may issue in the future, the repurchase of any debt with UAL common stock, any issuance of UAL common stock for cash, and the acquisition or disposition of any stock by a stockholder owning 5% or more of the outstanding shares of UAL common stock, or a combination of the foregoing. If the Company were to experience an "ownership change," it is possible that the Company's NOLs and certain other tax attribute carryforwards could expire before the Company would be able to use them to offset future income tax obligations.

On December 4, 2020, the board of directors of the Company adopted a tax benefits preservation plan (the "Plan") in order to preserve the Company's ability to use its NOLs and certain other tax attributes to reduce potential future income tax obligations. At the Company's annual meeting of stockholders held on May 26, 2021, the Company's stockholders approved the Plan. The Plan is designed to reduce the likelihood that the Company experiences an "ownership change" by deterring certain acquisitions of Company securities. There is no assurance, however, that the deterrent mechanism in the Plan will be effective, and such acquisitions may still occur. In addition, the Plan may adversely affect the marketability of UAL common stock by discouraging existing or potential investors from acquiring UAL common stock or additional shares of UAL common stock because any non-exempt third party that acquires 4.9% or more of the then-outstanding shares of UAL common stock would suffer substantial dilution of its ownership interest in the Company.

#### *Risks Relating to Legal and Regulatory Compliance.*

The airline industry is subject to extensive government regulation, which imposes significant costs and may adversely impact the Company's business, operating results and financial condition.

Airlines are subject to extensive regulatory and legal oversight. Compliance with U.S. and international regulations imposes significant costs and may have adverse effects on the Company. Laws, regulations, taxes and airport rates and charges, both domestically and internationally, have been proposed from time to time that could significantly increase the cost of airline operations or reduce airline revenue. The airline industry is heavily taxed, and additional taxation could negatively impact the Company's business.

United provides air transportation under certificates of public convenience and necessity issued by the U.S. Department of Transportation ("DOT"). If the DOT altered, amended, modified, suspended or revoked these certificates, it could have a material adverse effect on the Company's business. The DOT also regulates consumer protection and, through its investigations or rulemaking authority (including, for example, any rulemakings or initiatives in response to the Executive Order on Promoting Competition in the American Economy issued by the President on July 9, 2021), could impose restrictions that materially impact the Company's business. The FAA regulates the safety of United's operations. United operates pursuant to an air carrier operating certificate issued by the FAA. The FAA's regulations include stringent pilot flight and duty time requirements under Part 117 of the Federal Aviation Regulations, as well as minimum qualifications for air carrier first officers. From time to time, the FAA also issues orders, airworthiness directives and other regulations relating to the maintenance and operation of aircraft that require material expenditures or operational restrictions by the Company. These FAA orders and directives have resulted in the temporary grounding of an entire aircraft type if the FAA identifies design, manufacturing, maintenance or other issues requiring immediate corrective action (including the FAA Emergency Airworthiness Directive grounding the Company's Boeing 777 Pratt & Whitney powered aircraft). These FAA directives or requirements could have a material adverse effect on the Company.

In 2018, the U.S. Congress approved a five-year reauthorization for the FAA, which encompasses significant aviation tax and policy-related issues. The law includes a range of policy changes related to airline customer

service and aviation safety. Implementation of some items continues into the Biden Administration and, depending on how they are implemented, could impact the Company's operations and costs. U.S. Congressional action in response to the COVID-19 pandemic has provided funding for U.S. airlines, in both grants and loans. The U.S. Congress has imposed limited conditions on airlines accepting funding, including workforce retention and minimum service requirements. With the change in control of the U.S. Congress, under the Biden Administration, any future funding or other pandemic relief could include additional requirements that could impact the Company's operations and costs. Additionally, the U.S. Congress may consider legislation related to environmental issues or increases to the U.S. federal corporate income tax rate, as outlined in the Biden Administration's tax plan or otherwise, which could impact the Company and the airline industry.

The Company's operations may also be adversely impacted due to the existing antiquated ATC system utilized by the U.S. government and regulated by the FAA. During peak travel periods in certain markets, the current ATC system's inability to handle demand has led to short-term capacity constraints imposed by government agencies and resulted in delays and disruptions of air traffic. In addition, the current system will not be able to effectively handle projected future air traffic growth. The outdated technologies also cause the ATC to be less resilient in the event of a failure, causing flight cancellations and delays. Imposition of these ATC constraints on a long-term basis may have a material adverse effect on the Company's operations. Failure to update the ATC system in a timely manner and the substantial funding requirements of a modernized ATC system that may be imposed on air carriers may have an adverse impact on the Company's financial condition or operating results.

Access to landing and take-off rights, or "slots," at several major U.S. airports and many foreign airports served by the Company are, or recently have been, subject to government regulation. Certain of the Company's major hubs are among the most congested airports in the United States and have been or could be the subject of regulatory action that might limit the number of flights and/or increase costs of operations at certain times or throughout the day. The DOT (including the FAA) may limit the Company's airport access by limiting the number of departure and arrival slots at high density traffic airports, which could affect the Company's ownership and transfer rights, and local airport authorities may have the ability to control access to certain facilities or the cost of access to their facilities, which could have an adverse effect on the Company's business. The DOT historically has taken actions with respect to airlines' slot holdings that airlines have challenged; if the DOT were to take actions that adversely affect the Company's slot holdings, the Company could incur substantial costs to preserve its slots or may lose slots. If slots are eliminated at an airport, or if the number of hours of operation governed by slots is reduced at an airport, the lack of controls on take-offs and landings could result in greater congestion both at the affected airport or in the regional airspace (e.g., the New York City metropolitan region airspace) and could significantly impact the Company's operations. In addition, as airports around the world become more congested, space, facility, and infrastructure constraints may prevent the Company from maintaining existing service and/or implementing new service in a commercially viable manner. Further, the Company's operating costs at airports, including the Company's major hubs, may increase significantly because of capital improvements at such airports that the Company may be required to fund, directly or indirectly. Such costs could be imposed by the relevant airport authority without the Company's approval and may have a material adverse effect on the Company's financial condition. Because of airport infrastructure updates and other factors, the Company has experienced increased space rental rates at various airports in its network. Further, the Company cannot control decisions by other airlines to reduce their capacity. When this occurs, certain fixed airport costs are allocated among fewer total flights, which can result in increased landing fees and other costs for the Company. In light of constraints on existing facilities, there is presently a significant amount of capital spending underway at major airports in the United States, including large projects underway at a number of airports where the Company has significant operations, such as Chicago O'Hare International Airport (ORD), Los Angeles International Airport (LAX), LaGuardia Airport (LGA) and Ronald Reagan Washington National Airport (DCA). This spending is expected to result in increased costs to airlines and the traveling public that use those facilities as the airports seek to recover their investments through increased rental, landing and other facility costs. In some circumstances, such costs could be imposed by the relevant airport authority without the Company's approval. Accordingly, the Company's operating costs are expected to increase significantly at many airports at which it operates, including a number of its hubs and gateways, as a result of capital spending projects currently underway and additional projects that the Company expects to commence over the next several years.

The ability of carriers to operate flights on international routes between the United States and other countries is highly regulated. Applicable arrangements between the United States and foreign governments may be amended from time to time, government policies with respect to airport operations may be revised, and the availability

of appropriate slots or facilities may change. The Company currently operates a number of flights on international routes under government arrangements, regulations or policies that designate the number of carriers permitted to operate on such routes, the capacity of the carriers providing services on such routes, the airports at which carriers may operate international flights, or the number of carriers allowed access to particular airports. In addition, the pandemic has resulted in, and created the potential for, increased regulatory burdens in the U.S. and around the globe. These include but are not limited to closure of international borders to flights and/or passengers from specific countries, passenger and crew quarantine requirements, and other regulations promulgated to protect public health but that have a negative impact on travel and airline operations. Any limitations, additions or modifications to such arrangements, regulations or policies could have a material adverse effect on the Company's financial condition and operating results. Additionally, a change in law, regulation or policy for any of the Company's international routes, such as Open Skies, could have a material adverse impact on the Company's financial condition and operating results and could result in the impairment of material amounts of related tangible and intangible assets. In addition, competition from revenue-sharing JBAs and other alliance arrangements by and among other airlines could impair the value of the Company's business and assets on the Open Skies routes. The Company's plans to enter into or expand U.S. antitrust immunized alliances and JBAs on various international routes are subject to receipt of approvals from applicable U.S. federal authorities and obtaining other applicable foreign government clearances or satisfying the necessary applicable regulatory requirements. There can be no assurance that such approvals and clearances will be granted or will continue in effect upon further regulatory review or that changes in regulatory requirements or standards can be satisfied.

See Part I, Item 1. Business—Industry Regulation, of the 2020 Annual Report, for additional information on government regulation impacting the Company.

The Company is subject to many forms of environmental regulation and liability and risks associated with climate change, and may incur substantial costs as a result.

Many aspects of the Company's operations are subject to increasingly stringent federal, state, local and international laws protecting the environment, including those relating to emissions to the air, water discharges, safe drinking water, the use and management of hazardous materials and wastes, and noise emissions. Compliance with existing and future environmental laws and regulations can require significant expenditures and violations can lead to significant fines and penalties. In addition, from time to time the Company is identified as a responsible party for environmental investigation and remediation costs under applicable environmental laws due to the disposal of hazardous substances generated by its operations. The Company could also be subject to environmental liability claims from various parties, including airport authorities, related to its operations at its owned or leased premises or the off-site disposal of waste generated at its facilities.

The Company may incur substantial costs as a result of changes in weather patterns due to climate change. Increases in the frequency, severity or duration of severe weather events such as thunderstorms, hurricanes, flooding, typhoons, tornados and other severe weather events could result in increases in delays and cancellations, turbulence-related injuries and fuel consumption to avoid such weather, any of which could result in significant loss of revenue and higher costs. In addition, the Company could incur significant costs to improve the climate resiliency of its infrastructure and supply chain and otherwise prepare for, respond to, and mitigate the effects of climate change. The Company is not able to predict accurately the materiality of any potential losses or costs associated with the effects of climate change.

To mitigate climate change risks, the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") has been developed by the International Civil Aviation Organization ("ICAO"), a UN specialized agency. CORSIA is intended to create a single global market-based measure to achieve carbon-neutral growth for international aviation after 2020 through airline purchases of carbon offset credits. The voluntary pilot and first phases of the program are expected to run from 2021 through 2023, and 2024 through 2026, respectively, with airlines having until January 2025 to cancel eligible emissions units to comply with their total offsetting requirements for the pilot phase. Certain CORSIA program aspects could potentially be affected by the results of the pilot phase of the program, and thus the impact of CORSIA cannot be fully predicted. However, CORSIA is expected to result in increased operating costs for airlines that operate internationally, including the Company.



In addition to CORSIA, in December 2020 the U.S. Environmental Protection Agency (the “EPA”) adopted its own aircraft and aircraft engine greenhouse gas (“GHG”) emissions standards, which are aligned with the 2017 ICAO airplane carbon dioxide emission standards. Other jurisdictions in which United operates have adopted or are considering GHG emissions reduction initiatives, which could impact various aspects of the Company’s business. The final standards have been challenged by several states and environmental groups, and the Biden Administration has issued an executive order requiring a review of these final standards along with others issued by the prior presidential administration. On February 17, 2021, the United States Court of Appeals for the District of Columbia Circuit ordered to hold the challenge by the states and environmental groups in abeyance pending the EPA’s review. The outcome of the legal challenge and administrative review cannot be predicted at this time. Furthermore, while the Company has voluntarily pledged to reduce 100% of its GHG emissions by 2050, the precise nature of future requirements and their applicability to the Company are difficult to predict, and the financial impact to the Company and the aviation industry would likely be adverse and could be significant if they vary significantly from the Company’s own plans and strategy with respect to reducing GHG emissions.

See Part I, Item 1. Business—Industry Regulation—Environmental Regulation, of the 2020 Annual Report for additional information on environmental regulation impacting the Company.

*Risks Relating to the Company’s Indebtedness.*

The Company has a significant amount of financial leverage from fixed obligations and may seek material amounts of additional financial liquidity in the short-term, and insufficient liquidity may have a material adverse effect on the Company’s financial condition and business.

The Company has a significant amount of financial leverage from fixed obligations, including aircraft lease and debt financings, leases of airport property, secured loan facilities and other facilities, and other material cash obligations. In addition, the Company has substantial noncancelable commitments for capital expenditures, including for the acquisition of new and used aircraft and related spare engines.

As of June 30, 2021, the Company had total long-term debt of \$34.2 billion and \$1.75 billion available for borrowing under the Company’s revolving credit facility.

The Company’s substantial level of indebtedness, the Company’s non-investment grade credit ratings and the availability of Company assets as collateral for loans or other indebtedness, which available collateral has been reduced as a result of the financings in April 2021 secured by liens on certain international route authorities and related airport take-off and landing slots and gate leaseholds, may make it difficult for the Company to raise additional capital if needed to meet its liquidity needs on acceptable terms, or at all.

Although the Company’s cash flows from operations and its available capital, including the proceeds from financing transactions, have been sufficient to meet its obligations and commitments to date, the Company’s liquidity has been, and may in the future be, negatively affected by the risk factors discussed in this Official Statement, including risks related to future results arising from the COVID-19 pandemic. If the Company’s liquidity is materially diminished, the Company’s cash flow available for general corporate purposes may be materially and adversely affected. In particular, with respect to the \$6.8 billion of senior secured notes and a secured term loan facility (the “MileagePlus Financing”) secured by substantially all of the assets of Mileage Plus Holdings, LLC, a direct wholly-owned subsidiary of United (“MPH”), and Mileage Plus Intellectual Property Assets, Ltd., an indirect wholly-owned subsidiary of MPH (“MIPA”), the cash flows generated by the MileagePlus business are required to first satisfy interest and principal due thereunder. Therefore, the cash generated by the MileagePlus program is not fully available for the Company’s operations or to satisfy its other indebtedness obligations for the seven-year term of the MileagePlus Financing debt. This limitation on the Company’s cash flows could have a material adverse effect on its operations and flexibility.

A material reduction in the Company’s liquidity could also result in the Company not being able to timely pay its leases and debts or comply with material provisions of its contractual obligations, including covenants under its financing and credit card processing agreements. Moreover, as a result of the Company’s financing activities in response to the COVID-19 pandemic, the number of financings with respect to which such covenants and provisions apply has increased, thereby subjecting the Company to more substantial risk of default, cross-default and cross-

acceleration in the event of breach, and additional covenants and provisions could become binding on the Company in the event it continues to seek additional liquidity. In addition, several of the Company's debt agreements contain covenants that, among other things, restrict the ability of the Company and its subsidiaries to incur additional indebtedness. The Company has agreements with financial institutions that process customer credit card transactions for the sale of air travel and other services. Under certain of the Company's credit card processing agreements, the financial institutions in certain circumstances have the right to require that the Company maintain a reserve equal to a portion (or potentially all) of advance ticket sales that have been processed by that financial institution, but for which the Company has not yet provided the air transportation. Such financial institutions may require cash or other collateral reserves to be established or withholding of payments related to receivables to be collected, including if the Company does not maintain certain minimum levels of unrestricted cash, cash equivalents and short-term investments. In light of the effect COVID-19 is having on demand and, in turn, capacity, the Company has seen an increase in demand from consumers for refunds on their tickets, and the Company anticipates some level of increased demand for refunds on tickets will continue to be the case for the near future. Refunds lower the Company's liquidity and put it at risk of triggering liquidity covenants in these processing agreements and, in doing so, could force it to post cash collateral with the credit card companies for advance ticket sales. The Company also maintains certain insurance- and surety-related agreements under which counterparties have required, and may require, additional collateral.

In addition to the foregoing, the degree to which the Company is leveraged could have important consequences to holders of its securities, including the following:

- the Company must dedicate a substantial portion of cash flow from operations to the payment of principal and interest on applicable indebtedness, which, in turn, reduces funds available for operations and capital expenditures;
- the Company's flexibility in planning for, or reacting to, changes in the markets in which it competes may be limited;
- the Company may be at a competitive disadvantage relative to its competitors with less indebtedness;
- the Company is rendered more vulnerable to general adverse economic and industry conditions;
- the Company is exposed to increased interest rate risk given that a portion of its indebtedness obligations are at variable interest rates; and
- the Company's credit ratings may be reduced and its debt and equity securities may significantly decrease in value.

Finally, as of June 30, 2021, the Company had \$13.2 billion in variable rate indebtedness, all or a portion of which uses London interbank offered rates ("LIBOR") as a benchmark for establishing applicable rates. As most recently announced on November 30, 2020, LIBOR is expected to be phased out starting on January 1, 2022 for the one-week and two-month USD LIBOR settings and starting on July 1, 2023 for the remaining USD LIBOR settings. Although many of the Company's LIBOR-based obligations provide for alternative methods of calculating the interest rate payable if LIBOR is not reported, the extent and manner of any future changes with respect to methods of calculating LIBOR or replacing LIBOR with another benchmark are unknown and impossible to predict at this time and, as such, may result in interest rates that are materially higher than current interest rates. If interest rates applicable to the Company's variable interest indebtedness increase, the Company's interest expense will also increase, which could make it difficult for the Company to make interest payments and fund other fixed costs and, in turn, adversely impact its cash flow available for general corporate purposes.

See Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, of the Company's Q2 2021 Form 10-Q for additional information regarding the Company's liquidity as of June 30, 2021.

If the Company is not able to comply with the covenants in the MileagePlus Financing agreements, its lenders could accelerate the MileagePlus indebtedness, foreclose upon the collateral securing the MileagePlus indebtedness or exercise other remedies, which would have a material adverse effect on the Company's business, results of operations and financial condition.

The covenants in the agreements governing the MileagePlus Financing contain a number of provisions that limit the Company's ability to modify aspects of the MileagePlus program if such modifications would be reasonably expected to have a material adverse effect on the MileagePlus program or on its ability to pay the obligations under the MileagePlus Financing agreements. Moreover, the terms of such agreements also place certain restrictions on the Company establishing or owning another mileage or loyalty program and its ability to make material modifications to its agreements with certain MileagePlus partners. Furthermore, the MileagePlus Financing may also negatively affect certain material business relationships, and if any such relationship were to be materially impaired and/or terminated, the Company could experience a material adverse effect on its business, results of operations and financial condition.

The agreements governing the MileagePlus Financing restrict the Company's ability to terminate or modify the intercompany agreements governing the relationship between United and the MileagePlus program, including the agreement governing the rate that United must pay MPH for the purchase of miles and United's obligation to make certain seat inventory available to MPH for redemption. Such restrictions are in addition to restrictions on the ability of the obligors under the MileagePlus indebtedness to make restricted payments, incur additional indebtedness, dispose of, create or incur certain liens on, or transfer or convey, the collateral securing the MileagePlus indebtedness, enter into certain transactions with affiliates, merge, consolidate, or sell assets, or designate certain subsidiaries as unrestricted. Complying with these covenants may restrict the Company's ability to make material changes to the operation of the MPH business and may limit its ability to take advantage of business opportunities that may be in its long-term interest. The Company may also take actions, or omit to take actions, to comply with such covenants that could have a material adverse effect on its business and operations.

The Company's failure to comply with any of these covenants or restrictions could result in a default under the agreements governing the MileagePlus Financing, which could lead to an acceleration of the debt under such instruments and, in some cases, the acceleration of debt under other instruments that contain cross-default or cross-acceleration provisions, each of which could have a material adverse effect on the Company. In the case of an event of default under the agreements governing the MileagePlus Financing agreements, or a cross-default or cross-acceleration under its other indebtedness, the Company may not have sufficient funds available to make the required payments. If the Company is unable to repay amounts owed under the agreements governing the MileagePlus Financing, the lenders or noteholders thereunder may choose to exercise their remedies in respect of the collateral securing such indebtedness, including foreclosing upon the MileagePlus collateral, in which case the Company would lose the right to operate the MileagePlus program thereafter. The exercise of such remedies, especially the loss of the MileagePlus program, would have a material adverse effect on the Company's business, results of operations and financial condition.

In connection with the MileagePlus Financing, the Company was required to contribute certain assets, including certain MileagePlus intellectual property, including brands and member data, to Mileage Plus Intellectual Property Assets, Ltd., an indirect wholly-owned subsidiary of MPH structured to be bankruptcy remote that serves as a co-issuer of the MileagePlus Financing indebtedness, the assets of which subsidiary are collateral for such indebtedness. United and MPH will have the right to use the contributed intellectual property pursuant to a license agreement with MIPA. Such license agreement will be terminated, and the Company's right to use such intellectual property will cease, upon specified termination events, including, but not limited to, the Company's failure to assume the license agreement and various related intercompany agreements in a restructuring process. The termination of the license agreement would be an event of default under the agreements governing the MileagePlus Financing and in certain circumstances would trigger a liquidated damages payment in an amount that is several multiples of the principal amount of the MileagePlus Financing debt. Thus, the terms of the MileagePlus Financing limit the Company's flexibility to manage its capital structure going forward, and as a result, in the future the Company may take actions to ensure that the MileagePlus Financing debt is satisfied or that the lenders' remedies under such debt are not exercised, potentially to the detriment of its other creditors.

Agreements governing the Company's other debt include financial and other covenants. Failure to comply with these covenants could result in events of default.

In addition to the covenants in the MileagePlus Financing agreements discussed above, the Company's other financing agreements include various financial and other covenants. Certain of these covenants require UAL or United, as applicable, to maintain minimum liquidity and/or minimum collateral coverage ratios. UAL's or United's ability to comply with these covenants may be affected by events beyond its control, including the overall industry revenue environment, the level of fuel costs and the appraised value of the collateral. In addition, the Company's financing agreements contain other negative covenants customary for such financings. These covenants are subject to important exceptions and qualifications. If the Company fails to comply with these covenants and is unable to remedy or obtain a waiver or amendment, an event of default would result.

If an event of default were to occur, the lenders could, among other things, declare outstanding amounts immediately due and payable. In addition, an event of default or declaration of acceleration under one financing agreement could also result in an event of default under other of the Company's financing agreements due to cross-default and cross-acceleration provisions. The acceleration of significant amounts of debt could require the Company to renegotiate, repay or refinance the obligations under its financing arrangements.

*General Risk Factors.*

If the Company experiences changes in, or is unable to retain, its senior management team or other key employees, its operating results could be adversely affected.

Much of the Company's future success depends on the continued availability of skilled personnel with industry experience and knowledge, including its senior management team and other key employees. If the Company is unable to attract and retain talented, highly qualified senior management and other key employees, or if the Company is unable to effectively provide for the succession of senior management, its business may be adversely affected.

Current or future litigation and regulatory actions, or failure to comply with the terms of any settlement, order or arrangement relating to these actions, could have a material adverse impact on the Company.

From time to time, the Company is subject to litigation and other legal and regulatory proceedings relating to its business or investigations or other actions by governmental agencies, including as described in Part I, Item 3, Legal Proceedings, of the 2020 Annual Report. No assurances can be given that the results of these or new matters will be favorable to the Company. An adverse resolution of lawsuits, arbitrations, investigations or other proceedings or actions could have a material adverse effect on the Company's financial condition and operating results, including as a result of non-monetary remedies, and could also result in adverse publicity. Defending the Company in these matters may be time-consuming, expensive and disruptive to normal business operations and may result in significant expense and a diversion of management's time and attention from the operation of the Company's business, which could impede the Company's ability to achieve its business objectives. Additionally, any amount that the Company may be required to pay to satisfy a judgment, settlement, fine or penalty may not be covered by insurance. If the Company fails to comply with the terms contained in any settlement, order or agreement with a governmental authority relating to these matters, it could be subject to criminal or civil penalties, which could have a material adverse impact on the Company. Under the Company's charter and certain indemnification agreements that it has entered into (and may in the future enter into) with its officers, directors and certain third parties, the Company could be required to indemnify and advance expenses to them in connection with their involvement in certain actions, suits, investigations and other proceedings. There can be no assurance that any of these payments will not be material.

Increases in insurance costs or inadequate insurance coverage may materially and adversely impact the Company's business, operating results and financial condition.

The Company could be exposed to significant liability or loss if its property and/or operations were to be affected by a natural catastrophe, aircraft accident or other event. The Company maintains insurance policies, including, but not limited to, terrorism, aviation hull and liability, workers' compensation and property and business interruption insurance, but the Company is not fully insured against all potential hazards and risks incident to its

business. If the Company is unable to obtain sufficient insurance with acceptable terms, the costs of such insurance increase materially, or if the coverage obtained is unable to pay or is insufficient relative to actual liability or losses that the Company experiences, whether due to insurance market conditions, policy limitations and exclusions or otherwise, its operations, operating results and financial condition could be materially and adversely affected.

### **Limitations Upon the City's Ability to Relet the Special Facilities; Availability of Reletting Revenues**

Although United's obligation to make Special Facilities Payments is not secured by a leasehold mortgage on the Special Facilities in favor of the Bondholders, upon and during an event of default by United under the Lease, the City may (and is required to, upon a payment default) use commercially reasonable efforts to relet the Special Facilities, related ground areas (and air space associated with the EBS) and United Funded Equipment to a replacement tenant or tenants on a net rent basis (i.e., the tenant shall be responsible for all occupancy costs) at a rental rate sufficient to provide for the payment of certain charges, including but not limited to Special Facilities Payments, to the same extent as United is obligated to do so. See "SECURITY FOR THE SERIES 2021B-1 BONDS," above. However, certain practical and legal considerations could inhibit or materially delay the City's ability to relet any such facilities or otherwise materially and adversely affect the potential availability of reletting revenues to enable repayment of the Series 2021B-1 Bonds.

Failure by United to Vacate the Special Facilities and Related Ground Areas. The ability of the City to relet the Special Facilities upon and following an event of default by United under the Lease could depend upon whether United will, or would be required in such circumstances to, surrender to the City the Special Facilities and the related ground areas underlying the Special Facilities (and air space associated with the EBS).

Unless United willingly vacates the Special Facilities and related ground areas (and air space associated with the EBS) upon and following an event of default by it under the Lease, the City could be required to bring legal proceedings against United in order to exclude it from possession of such properties to enable their potential reletting to one or more replacement tenants. In such event, certain procedural and substantive provisions of Texas law could prevent the City from immediately evicting or otherwise dispossessing United of the Special Facilities and related ground areas (and air space associated with the EBS) to make such properties available for a prompt reletting by the City.

Alternatively, upon and following a bankruptcy filing by United, certain provisions of the United States Bankruptcy Code could significantly delay or inhibit the City's ability to repossess or cause United to surrender promptly any or all of the Special Facilities, related ground areas (and air space associated with the EBS) and United Funded Equipment to enable their potential reletting by the City. In particular, if a bankruptcy case is filed with respect to United, the Lease would likely be treated as an executory contract or unexpired lease of non-residential real property pursuant to Section 365 of the United States Bankruptcy Code. In the event the Lease is treated as an unexpired lease of non-residential property, then within 120 days after the bankruptcy filing (unless extended by the bankruptcy court for up to an additional 90 days, thereby providing United with up to a total of 210 days after filing, after which any further extensions would require the express consent of the City), United would be required to either (i) assume the Lease, in which case United would remain in possession of the Special Facilities and related ground areas (and air space associated with the EBS) but it would also have to cure all pre-filing monetary defaults (such as unpaid Special Facilities Payments) and perform its future obligations under the Lease as a condition to that agreement's ongoing effectiveness, including during the pendency of the bankruptcy case, (ii) assume and assign the Lease to a third party, or (iii) reject the Lease, in which case United would be required to vacate the Special Facilities and related ground areas (and air space associated with the EBS) and the City could treat the Lease as terminated. While any such rejection of the Lease by United in bankruptcy could eventually facilitate a potential reletting of the Special Facilities, related ground areas (and air space associated with the EBS) and United Funded Equipment, the City could nevertheless experience delays in gaining access to such properties as a result of the bankruptcy filing, and such delays could adversely affect the potential availability of reletting proceeds when needed to effect the timely repayment of the Series 2021B-1 Bonds. Such a rejection of the Lease by United could also result in limited damages against it under the United States Bankruptcy Code. See "CERTAIN BONDOWNERS' RISKS—Possible Limitations on Damages Against United Upon a United Bankruptcy" herein.

Rather than treating the Lease as an unexpired lease of non-residential real property in bankruptcy, United's bankruptcy trustee or United as debtor-in-possession could instead seek to treat the Lease as a disguised loan

with respect to all or any portion of the Special Facilities, and it is possible that the bankruptcy court could agree with such recharacterization. In such circumstances, subject to compliance with applicable provisions of the Bankruptcy Code, United could seek to suspend its Special Facilities Payments with respect to affected Special Facilities during the pendency of its bankruptcy proceedings. Bondholders would likely be treated as secured creditors of United with respect to the suspended Special Facilities Payments (which could ultimately be restructured or reduced) and the affected Special Facilities, but an automatic stay against enforcing remedies could prevent the City from terminating the Lease. As a result, United could then remain in possession of the affected Special Facilities and related ground areas (and air space associated with the EBS) for up to the full remaining term of the Lease, and the City would not be able to regain possession of such properties during such time to enable their potential reletting.

For all the foregoing reasons, no assurance can be given that United will, or will be required to, surrender the Special Facilities, related ground areas (and air space associated with the EBS) and United Funded Equipment within any specific timeframe following a bankruptcy or other default by it under the Lease. In such event(s), the Special Facilities and related ground areas (and air space associated with the EBS) could be unavailable for potential reletting by the City, for relatively brief or even extended periods of time, to help generate sufficient funds when needed to effect the timely repayment of the Series 2021B-1 Bonds.

Integration of Terminal C BHS with Remainder of Multi-Terminal Baggage Handling System. As described above under “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the 2021 United Project Components and United Funded Equipment,” the Terminal C BHS, which constitutes part of the 2021 United Project Components, is a portion of a multi-terminal baggage handling system that will be integrated with the Terminal E BHS and that, when complete, will support United’s operations across the Airport. The Terminal C BHS is not independently operable apart from the Terminal E BHS. The Terminal E BHS does not constitute Special Facilities and is not subject to the relet provisions of the Lease; the Terminal E BHS will be leased to United under the Terminal E Lease in connection with the issuance of the Series 2021A Bonds. If the Terminal C BHS is vacated by United following an event of default by it under the Lease such that it can be relet, unless the Terminal E BHS is simultaneously relet to the same replacement tenant following termination of, or United default under, the Terminal E Lease, the replacement tenant for the Special Facilities would not have lease rights to a complete and functional baggage handling system to serve Terminal C. If an event of default under the Lease has occurred and is continuing, under the Terminal E Lease, United has agreed to provide reasonable access to and use of the Terminal E BHS to the City and to any tenant of the City to the extent that such access and use are necessary for the City to impose and collect rates, charges and rentals in such amounts as United is obligated to pay under the Lease. However, if the Terminal E Lease is no longer in effect at the time of the reletting of the Special Facilities, such agreement would no longer be in effect, in which case, to obtain baggage handling capabilities in Terminal C, a replacement tenant may need to: (1) enter into an access agreement with the City or with the party or parties leasing or using the Terminal E BHS, or (2) conduct capital improvements on the Terminal C BHS to convert it into a stand-alone baggage handling system. The cost to conduct the required capital improvements to convert the Terminal C BHS into a stand-alone baggage handling system cannot be predicted with certainty. There can be no assurance that the City will be able to find a replacement tenant willing to take such steps or to operate in Terminal C without a stand-alone baggage handling system, or that, even if such a replacement tenant could be found, that it would be willing or able to pay sufficient rentals to lease the Special Facilities to ensure the full payment of the Bonds, including the Series 2021B-1 Bonds, when due.

Unavailability of United Funded Equipment. As described above under “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the 2021 United Project Components and United Funded Equipment,” United will install United Funded Equipment, consisting of certain proprietary information technology (“IT”) equipment necessary to support the Terminal C BHS, which equipment does not constitute Special Facilities. Although such United Funded Equipment will be subject to the reletting provisions of the Lease described under the caption “SECURITY FOR THE SERIES 2021B-1 BONDS—Reletting” to the extent such equipment is located in the facilities leased to United under the Lease at such time, such equipment constitutes personal property of United and, as such, may be removed by United during the term of the Lease provided that (1) no event of default by United has occurred and is continuing under the Lease and (2) such removal does not damage or impair the Special Facilities (or United at its expense restores the Special Facilities to the same or better condition than existed prior to such removal). If the Terminal C BHS is vacated by United following an event of default by it under the Lease such that it can be relet and, at such time, United has removed the United Funded Equipment from the terminal, then such equipment will not be available to any replacement tenant for the Special Facilities. In such

circumstance, in order to operate the Terminal C BHS, a replacement tenant would need to either: (1) if the party or parties then leasing or using the Terminal E BHS has appropriate IT equipment to operate the entirety of the baggage handling system, enter into an agreement with such party to allow for the mutual benefit and use of such equipment, or (2) purchase or otherwise obtain appropriate IT equipment as needed to operate the Terminal C BHS, which is expected to cost approximately \$3,050,000. There can be no assurance that the City will be able to find a replacement tenant willing to take such steps, or that, even if such a replacement tenant could be found, that it would be willing or able to pay sufficient rentals to lease the Special Facilities to ensure the full payment of the Bonds, including the Series 2021B-1 Bonds, when due.

Extraordinary Required Redemption of Bonds. As further described under “THE SERIES 2021B-1 BONDS—Redemption of the Series 2021B-1 Bonds—*Extraordinary Required Redemption of the Series 2021B-1 Bonds*,” the Series 2021B-1 Bonds are subject to extraordinary required redemption in certain circumstances, including: (i) from certain insurance or condemnation proceeds in the event that all or part of the 2021 United Project Components are damaged or destroyed, or taken or condemned, or (ii) if United determines that continued operation of the 2021 United Project Components or a substantial portion thereof, is impractical, uneconomical or undesirable, provided that United has provided funds for such redemption. The Series 2021B-1 Bonds will not be subject to extraordinary required redemption in the event of damage, destruction, taking, or condemnation of portions of the Special Facilities other than the 2021 United Project Components, or if United determines that continued operation of portions of the Special Facilities not constituting 2021 United Project Components is impractical, uneconomical, or undesirable. Depending on the specific Special Facilities subject to such damage, destruction, taking, condemnation, or determination, it is possible that some or all of the Series 2011 Bonds, the Series 2015B-1 Bonds, and/or the Series 2020B-2 Bonds could be subject to extraordinary required redemption while the Series 2021B-1 Bonds are not, even though all series of the Bonds are secured on a parity with one another. In such event, the Series 2021B-1 Bonds could remain outstanding despite significant damage to, or undesirability of, the Special Facilities generally, which could limit the City’s ability to find a replacement tenant for such Special Facilities or could reduce the replacement rental value of such Special Facilities.

Potential Limitations on Reletting Value of Prior Special Facilities in Terminal C. As described above under “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the Prior Special Facilities and Facilities in Terminal D Financed with Prior Bond Proceeds,” the Prior Special Facilities in Terminal C are comprised largely of a ramp tower, certain lobby renovations, and improvements to certain passenger holdroom facilities, and certain baggage system improvements, which baggage system improvements will be replaced by the Terminal C BHS. If any Prior Special Facilities in Terminal C that are subject to reletting are vacated by United following an event of default by it under the Lease such that they could be relet, the City may be unable to find interested replacement tenants for them given their limited functional uses, which uses may be further limited by the City’s inability to procure other broader operating space for potential replacement tenants in Terminal C. In particular, as described above under “GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—United’s Current Terminal Facilities at the Airport” and “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—The Lease; Related Lease Arrangements,” United leases from the City the bulk of the operational space in Terminal C, including exclusive use of 20 aircraft gates, under the Terminal C Lease and Use Agreement, which is separate from the Lease pursuant to which United leases from the City all of Terminal B and the Prior Special Facilities in Terminal C. There can be no assurance that, following a termination of the Lease, United will, or would be required to, surrender to the City the premises leased under the Terminal C Lease and Use Agreement. For example, United could continue performing its obligations under the Terminal C Lease and Use Agreement irrespective of any default by it under the Lease (as such agreements are not cross-defaulted with one another) and, if in bankruptcy, United could even seek to reject the Lease while affirming and continuing to perform its obligations under the Terminal C Lease and Use Agreement. In such instance, though United could be required to vacate Terminal B and the specific Prior Special Facilities in Terminal C that were financed with the proceeds of the Series 97/98B Bonds and the Special Facilities financed by the Series 2021B-1 Bonds, it could nevertheless remain in possession of the operational space in Terminal C that is separately leased to it under the Terminal C Lease and Use Agreement, and thereby continue significant operations in Terminal C. (United could also continue to remain in possession of and conduct substantial operations at the Airport out of its separately leased facilities in Terminals A, D and E at the Airport, subject to performing its obligations under the leases for such facilities in those terminals.) The areas leased to United under the Terminal C Lease and Use Agreement are more necessary to United’s ability to operate out of Terminal C than the Prior Special Facilities in Terminal C leased by United under the Lease. Therefore, the City’s ability to find a replacement tenant willing to lease the Prior Special Facilities in Terminal C may be reduced

if United has not vacated the Terminal C Lease and Use Agreement premises, allowing the City to offer the operational space in Terminal C to a potential replacement tenant simultaneously with the Prior Special Facilities United has leased in Terminal C under the Lease. Further, even if such a replacement tenant or tenants could be found, there can be no assurance that any such replacement tenant(s) would be willing or able to pay sufficient rentals to lease any such facilities to ensure the full payment of the Series 2021B-1 Bonds when due.

Potential Limitations on Reletting Value of Prior Special Facilities in Terminal B. As described above under “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the Prior Special Facilities and Facilities in Terminal D Financed with Prior Bond Proceeds,” many of the Special Facilities located in Terminal B are comprised of passenger terminal facilities developed primarily for regional jet operations. Although the Series 2015B-1 Project mainly supports larger aircraft for use in United’s mainline operations, United expects to continue to use the other Special Facilities in Terminal B in the Airport to conduct its regional jet flight operations, and such Special Facilities are expected to remain equipped with facilities primarily to serve regional aircraft. For example, the 30 gates in the South Concourse of Terminal B, financed with the proceeds of the Series 2011 Bonds, are configured for ground-level aircraft boarding, rather than for the use of jet bridges. Certain capital improvements or renovations could be required before the 2011 Project would be capable of supporting larger aircraft, and there can be no assurance that the City would be able to find a replacement tenant or tenants willing to undertake any capital improvements or renovations that may be necessary to modify the facilities for their particular operations. Further, even if such a replacement tenant or tenants could be found, there can be no assurance that any such replacement tenant(s) would be willing or able to pay sufficient rentals to lease any such facilities to ensure the full payment of the Series 2021B-1 Bonds when due.

Hub Operations; Potential Availability of Other Competing Space at the Airport. United uses the Airport as one of its principal hubs and is the largest user of terminal and other related space at the Airport. While United also serves a large market of origination-and-destination passenger traffic at the Airport, a significant portion of its operations support passenger traffic that is not originated in, or ultimately destined for, the Airport. Because other air carriers may not desire to operate large hub facilities at the Airport, and because competing facilities at the Airport could also be available to prospective replacement tenants at the time the City may be seeking to relet any of the Special Facilities (particularly if the Special Facilities are then available as a result of a retraction by United at the Airport), there can be no assurance that the City would be able to find a replacement tenant or tenants for any of the Special Facilities or that any such replacement tenant(s) would be willing or able to pay sufficient rentals to lease any such Special Facilities to ensure the full payment of the Bonds, including the Series 2021B-1 Bonds, when due.

Subordination of Special Facilities Payments; Uncertainty Concerning Rental Rates Affecting the Special Facilities. In connection with the reletting of any of the Special Facilities, the City is required to use commercially reasonable efforts to seek a replacement tenant or tenants who would pay or provide for the payment of certain charges, including but not limited to Special Facilities Payments, to the same extent as United is required to do under the Lease. Any such reletting proceeds, however, would first be applied by the City to pay City Charges and to pay Ground Rentals attributable to the period after reletting began, prior to being applied towards Special Facilities Payments (and consequently debt service on the Bonds, including the Series 2021B-1 Bonds). As a result, if all replacement tenants for the Special Facilities should pay less, in the aggregate, for the Special Facilities than United is required to pay, sufficient Special Facilities Payments to repay the Bonds, including the Series 2021B-1 Bonds, when due would not be available.

In addition, in connection with any such reletting, the City may choose or be required to relet to any replacement tenant(s) all or a portion of the Terminal C Lease and Use Agreement premises, as certain Prior Special Facilities in Terminal C that were financed with the proceeds of the Prior Bonds would be of little value to any tenant who does not also use and occupy Terminal C. United currently pays or will pay certain additional rentals to the City for such lease rights in Terminal C under the Terminal C Lease and Use Agreement, which other additional rentals are not pledged as security for the Series 2021B-1 Bonds. The City would likely seek to charge any replacement tenant(s) similar additional rentals. There can be no assurance that the City would be able to relet the Prior Special Facilities leased by United in Terminal C and the facilities leased pursuant to the Terminal C Lease and Use Agreement for sufficient amounts to pay to the City all additional rentals that could be required and, thereafter, Special Facilities Payments on the Bonds.



Potential Impacts on Ability to Receive Reletting Revenues in the Event of a Bankruptcy of the City or the City's Airport System. In the event a bankruptcy case is filed or pending under the United States Bankruptcy Code with respect to the City or the City's airport system during the period of any reletting following a termination of the Lease, parties involved in the proceeding could challenge the validity of the lien of the Trustee on the reletting revenues of the Special Facilities, related ground areas (and air space associated with the EBS) and United Funded Equipment, and creditors of the airport system with liens encumbering the airport system's general revenues could be determined to have a claim on reletting revenues of the Special Facilities, related ground areas (and air space associated with the EBS) and United Funded Equipment that is superior to the rights of Bondholders with respect to such revenues. In either such event, any claim for damages against the City in connection with its reletting rights or obligations with respect to the Series 2021B-1 Bonds could rank as that of a general unsecured creditor of City's airport system. No representation or warranty is made regarding the financial affairs or condition of the City or the City's airport system in connection with the issuance and sale of the Series 2021B-1 Bonds.

### **Limitations on Trustee's Ability to Accelerate Special Facilities Payments**

Upon certain payment-related events of default under the Trust Indenture, the Trustee may declare all amounts owed under the Bonds, including the Series 2021B-1 Bonds, immediately due and payable. See APPENDIX B—"SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Events of Default and Remedies." The Lease provides that United must pay the Special Facilities Payments in an amount sufficient to pay all amounts when due upon the Bonds (including the Series 2021B-1 Bonds) upon acceleration or otherwise. Texas law concerning real property leases provides for certain remedies available to a lessor for breach of a lease for real property, and acceleration of all rental payments due under the lease may not be an available remedy. A court could conclude that the requirement that United pay Special Facilities Payments in an amount equal to the amount due on any of the Bonds following an acceleration of such Bonds is, in effect, an impermissible acceleration of the rent due under a lease for real property and refuse to enforce the payment. If a court were to come to such conclusion, the Trustee could pursue other remedies available under the Trust Indenture. Such remedies, however, may not provide for the full payment of the principal and interest then due on the accelerated Bonds, including the Series 2021B-1 Bonds.

### **Effect on Bonds of Merger or Other Corporate Reorganization of United; Absence of Certain Covenants**

The Lease and the Guaranty do not prohibit United from consolidating or merging with or into another corporation or entity, or from selling or otherwise disposing of all or substantially all of its assets, as long as: (1) United assigns the Lease to its parent, to an entity with which it merges or consolidates, to an entity that succeeds to all or substantially all of United's assets, or to an entity that is under common control of United's parent, or (2) United consolidates with or merges into another entity, or permits one or more other entities to consolidate with or merge into it, or sells or otherwise disposes of all or substantially all of its assets as an entirety and thereafter dissolves, provided, if United is not the surviving corporation, the surviving, resulting or transferee corporation, as the case may be, or the entity to whom the Lease is assigned as provided in (1) above (i) assumes in writing all of United's obligations under the Lease or the Guaranty, as applicable, and (ii) qualifies or is qualified to do business in Texas. Upon any permitted assignment by United of the Lease, United must assign the Guaranty to the same assignee. See APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Miscellaneous—Lessee to Maintain its Corporate Existence" and APPENDIX D—"EXCERPTS OF CERTAIN PROVISIONS OF THE GUARANTY."

If United were to participate in any merger or other corporate reorganization as permitted under the Lease, either voluntarily or otherwise, the financial condition and prospects of the surviving or resulting corporation or transferee could be materially different from those of United, and the security for the payment of the Bonds, including the Series 2021B-1 Bonds, and the ratings thereon and market price thereof, could be adversely affected as a result of such merger or other corporate reorganization. In any case, there can be no assurance that United will either merge or not merge with or into another entity over the term of the Series 2021B-1 Bonds. Holders of the Series 2021B-1 Bonds do not have the right to require United to repurchase the Series 2021B-1 Bonds because of a merger or other corporate reorganization of United.

## **Possible Loss of Tax-Exempt Status of Interest on the Series 2021B-1 Bonds**

On the date of delivery of and payment for the Series 2021B-1 Bonds, Tax Counsel will render its opinion with respect to the tax-exempt status of the interest on the Series 2021B-1 Bonds, the form of which opinion is set forth in APPENDIX G hereto. See also “TAX MATTERS” herein.

In the event the interest on any of the Series 2021B-1 Bonds is determined to be includable in gross income of registered owners of such Series 2021B-1 Bonds for federal income tax purposes as a result of a Determination of Taxability, such Series 2021B-1 Bonds will be subject to extraordinary required redemption as described under “THE SERIES 2021B-1 BONDS—Redemption of the Series 2021B-1 Bonds—*Extraordinary Required Redemption of the Series 2021B-1 Bonds*” above. However, in the event the interest on the Series 2021B-1 Bonds is determined to be includable in gross income of registered owners of the Series 2021B-1 Bonds for federal income tax purposes for any reason other than a Determination of Taxability, the Series 2021B-1 Bonds will not be subject to extraordinary required redemption. In either such event, there will be no adjustment in the interest rate on such Series 2021B-1 Bonds and the owners will not be indemnified against losses sustained as a result of a determination that the interest on such Series 2021B-1 Bonds is not excludable from gross income for federal income tax purposes. A Determination of Taxability requires a failure of United to comply with its obligations under the Lease and will not result solely from a change in the Code (as defined below) or regulations promulgated under the Code adopted or becoming effective after the date of issuance of the Series 2021B-1 Bonds.

Further, a Determination of Taxability may not occur for a substantial period of time after interest first becomes includable in the gross income of the owners thereof for federal income tax purposes. Additionally, if, prior to a Determination of Taxability with respect to the Series 2021B-1 Bonds, the lien of the Trust Indenture with respect to such Series 2021B-1 Bonds has been defeased pursuant to the provisions thereof set forth in APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Defeasance of the Series 2021B-1 Bonds,” such Series 2021B-1 Bonds will not be subject to extraordinary required redemption as a result of such Determination of Taxability. In certain circumstances, the loss of the exclusion of interest on any Series 2021B-1 Bonds from gross income of the owners thereof for federal income tax purposes could be retroactive to the date of issuance of such Series 2021B-1 Bonds. The tax liability of the owners of any Series 2021B-1 Bonds for failure to include interest on such Series 2021B-1 Bonds in their gross income may extend to years for which interest was received on such Series 2021B-1 Bonds, or some portion thereof, and for which the relevant statute of limitations has not yet run.

In addition, for a discussion of how changes in law could limit the tax benefit of the tax exemption applicable to the Series 2021B-1 Bonds, see “TAX MATTERS—Tax Legislative Changes” herein.

## **Possible Limitations on Damages Against United Upon a United Bankruptcy**

As described above under “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities; Availability of Reletting Revenues—Failure by United to Vacate the Special Facilities and Related Ground Areas,” in the event a bankruptcy case is filed with respect to United, a bankruptcy court could determine that the Lease is an executory contract or unexpired lease pursuant to Section 365 of the United States Bankruptcy Code. In that event, a trustee in bankruptcy or United as a debtor-in-possession might reject the Lease. Under the United States Bankruptcy Code, any rejection of the Lease could result in a claim for damages against United in connection with the Bonds, which claim would rank as that of a general unsecured claim of United.

If the Lease were determined to be an unexpired lease of non-residential real property, the amount of a corresponding claim for damages against United in connection with the Bonds, including the Series 2021B-1 Bonds, may be limited to the amount of the rejection damages claim under the Lease pursuant to Section 502(b)(6) of the Bankruptcy Code, in which case such claim may be limited to the rent payable under the Lease (without acceleration) for the greater of either one year or 15% of the rent due under the remaining term of the Lease, but not to exceed three years of total rent, following the earlier of (a) the date the bankruptcy petition was filed, and (b) the date on which the City repossessed, or United surrendered, possession of the leased property under the Lease, plus any unpaid rentals under the Lease (without acceleration) on the earlier of such dates. In this event, any claim with respect to the Bonds that do not mature (absent acceleration) within the period of one year or 15% of the remaining term of the Lease (but not in excess of three years) following the bankruptcy commencement date (i.e., the earlier of

(a) or (b) above) could be limited to the interest and principal that would accrue on such Bonds during such period and may not permit a claim for the recovery of other principal. Likewise, if the Lease is assumed and then subsequently rejected (because, for example, following its assumption in a Chapter 11 case the case is then converted to liquidation under Chapter 7), the damages arising therefrom may be limited under Section 503(b)(7) of the Bankruptcy Code to not more than 2 years of rent as an allowed administrative expense, albeit junior to the administrative expenses of the Chapter 7 proceeding.

Pursuant to the terms of the Guaranty, United will unconditionally guarantee to the Trustee, for the benefit of the owners of the Series 2021B-1 Bonds, the full and prompt payment of the principal and premium, if any, on such Series 2021B-1 Bonds when and as the same shall become due and payable as provided in the Trust Indenture, whether at the stated maturity thereof, by redemption, acceleration or otherwise, and the full and prompt payment of the interest on the Series 2021B-1 Bonds when and as the same shall become due and payable as provided in the Trust Indenture. The obligations covered by the Guaranty are intended by the parties to be independent of those set out in the Lease (and thereby not subject to the Bankruptcy Code limitations discussed above) and to be enforceable without regard to the validity or enforceability of the Lease or any obligation of United contained therein. In the event a bankruptcy case were filed with respect to United, the Trustee may file a claim pursuant to the Guaranty, independently of any claim under the Lease and Trust Indenture, for the payment of all amounts, if any, required for the payment of the principal of, redemption premium, if any, and interest on the Series 2021B-1 Bonds when due. Such claim, however, if allowed, would rank as that of a general unsecured creditor of United. A bankruptcy court could determine, however, that the Trustee's claims under the Guaranty should be limited to the same extent as the Bankruptcy Code limitation of claims for damages with respect to non-residential real property leases described above in connection with claims under Lease. No assurance can be given that the Trustee's claims under the Guaranty will not be so limited. If so limited, the Guaranty would provide no additional security for payments due on the Series 2021B-1 Bonds.

No representation or warranty is made by United or any other party that any claim under any of the Lease or the Guaranty will be allowed or that any recovery on any such claim will be permitted under the United States Bankruptcy Code. If only limited damages were allowed against or recoverable from United under the Lease or the Guaranty as a result of a bankruptcy filing of United, repayment of the Bonds, including the Series 2021B-1 Bonds, would depend upon the availability of other Pledged Revenues, including reletting proceeds as may be provided by a replacement tenant or tenants. See, however, "—Limitations Upon the City's Ability to Relet the Special Facilities; Availability of Reletting Revenues" above.

## **NO LITIGATION**

There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body known to the City to be pending or threatened against the City wherein an unfavorable decision, ruling or finding would adversely affect (i) the title to office of any council member or officer of the City or any power of the City material to the authorization and issuance of the Series 2021B-1 Bonds, or (ii) the validity of the proceedings taken by the City for the authorization, execution, delivery and performance by the City of, or the validity or enforceability of, the Series 2021B-1 Bonds, the Trust Indenture, or the Lease.

## **RATING**

Fitch Ratings, Inc. has provided a rating for the Series 2021B-1 Bonds of B-. This rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from the rating agency furnishing such rating. There is no assurance that such rating will be maintained for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely by such rating agency, if in its sole judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Series 2021B-1 Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

## **CO-FINANCIAL ADVISORS**

The City has retained Masterson Advisors LLC and The RSI Group, LLC to serve as its co-financial advisors in connection with the issuance of the Series 2021B-1 Bonds (the "Co-Financial Advisors"). The Co-

Financial Advisors have not independently verified any of the information contained in this Official Statement and make no guarantee as to its completeness or accuracy. The Co-Financial Advisors' fees for certain of the services rendered with respect to the sale of the Series 2021B-1 Bonds are contingent upon the issuance and delivery of the Series 2021B-1 Bonds.

## UNDERWRITING

The Series 2021B-1 Bonds are being purchased by Citigroup Global Markets Inc., on behalf of itself and Wells Fargo Securities, LLC, Siebert Williams Shank & Co., LLC, and Blaylock Van, LLC (collectively, the "Underwriters") at a purchase price of \$234,773,026.58, which represents (i) the par amount of the Series 2021B-1 Bonds, \$219,320,000.00, (ii) plus an original issue premium of \$17,264,870.40, (iii) less an Underwriters' discount of \$1,811,843.82, to be funded from bond proceeds, as compensation for the purchase and sale of the Series 2021B-1 Bonds and as reimbursement for certain expenses of the Underwriters related to such Series 2021B-1 Bonds.

The Purchase Contract with respect to the Series 2021B-1 Bonds between the City and Citigroup Global Markets Inc., acting for and on behalf of itself and as representative of the Underwriters, provides that the Underwriters agree, jointly and severally, to purchase all of the Series 2021B-1 Bonds if any are purchased, and that such purchase is subject to certain terms and conditions set forth therein, including the approval of certain legal matters by counsel. United has agreed to indemnify the City and the Underwriters against certain liabilities, including certain liabilities under federal securities laws.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates, from time to time, have performed, and may in the future perform, various investment banking services for the City, United, or UAL, 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) and financial instruments (which may include bank loans and/or credit default swaps) 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, United, or UAL.

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

Certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated as Underwriters of the Series 2021B-1 Bonds) for the distribution of the Series 2021B-1 Bonds at the original public offering prices. Such agreements generally provide that each relevant Underwriter will share a portion of its underwriting compensation with such other broker-dealers.

Citigroup Global Markets Inc., an underwriter of the Series 2021B-1 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.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Securities, LLC, member NYSE, FINRA, NFA, and SIPC. Wells Fargo Securities, LLC ("WFSLLC"), one of the underwriters of the Series 2021B-1 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo

Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”) for the distribution of certain municipal securities offerings, including the Series 2021B-1 Bonds. Pursuant to the WFA Distribution Agreement, WFSLLC will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2021B-1 Bonds with WFA. WFSLLC has also entered into an agreement (the “WFBNA Distribution Agreement”) with its affiliate, Wells Fargo Bank, N.A., acting through its Municipal Finance Group (“WFBNA”), for the distribution of municipal securities offerings, including the Series 2021B-1 Bonds. Pursuant to the WFBNA Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

## **CONTINUING DISCLOSURE**

### **General**

United will enter into a Continuing Disclosure Agreement with the Trustee upon the issuance and sale of the Series 2021B-1 Bonds to provide certain financial and operating data concerning its affairs and to provide notice of the occurrence of certain events set forth in the Continuing Disclosure Agreement on a continuing basis for owners of the Series 2021B-1 Bonds through filings with the Electronic Municipal Market Access (“EMMA”) website of the Municipal Securities Rulemaking Board, currently located at <http://emma.msrb.org>. The Continuing Disclosure Agreement will be in substantially the form attached hereto as APPENDIX F—“FORM OF CONTINUING DISCLOSURE AGREEMENT.” United’s covenants in such agreement have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934, as amended.

### **Compliance with Prior Undertakings**

United has made timely filings of its Annual Report on Form 10-K and other required periodic reports and current reports with the SEC during the past five years. United has become aware, however, that during the last five years there have been certain instances where it did not timely file its Annual Report on Form 10-K with EMMA, as required under certain other continuing disclosure agreements that United entered into in connection with prior issuances of special facilities revenue bonds. In addition, United has become aware of certain limited instances in which it did not make timely filings of certain ratings changes to particular special facilities revenue bonds, and one instance in which it’s required annual disclosure, though timely submitted, omitted one item that was required to have been updated. United has made corrective filings with respect to such matters and anticipates satisfying its continuing disclosure undertakings on a timely basis. United has adopted written policies and procedures relating to its continuing disclosure obligations under Rule 15c2-12 designed to facilitate United’s compliance with its continuing disclosure undertakings.

## **TAX MATTERS**

**The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Series 2021B-1 Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership, and disposition of the Series 2021B-1 Bonds.**

### **Tax Exemption**

In the opinion of Bracewell LLP, Tax Counsel, under existing law (i) interest on the Series 2021B-1 Bonds is excludable from gross income for federal income tax purposes, except for any period during which a Series 2021B-1 Bond is held by a person who is a “substantial user” of the facilities refinanced with the proceeds of the Series 2021B-1 Bonds or a “related person” to such a “substantial user,” each within the meaning of section 147(a) of the Internal Revenue Code, as amended (the “Code”), and (ii) interest on the Series 2021B-1 Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining a taxpayer’s alternative minimum tax liability.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Series 2021B-1 Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations

on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the “Service”). The City has covenanted in the Trust Indenture and United has covenanted in the Lease that they will comply with these requirements.

Tax Counsel’s opinion will assume continuing compliance with the covenants of the Trust Indenture and Lease pertaining to those sections of the Code that affect the excludability of interest on the Series 2021B-1 Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the City, United, the Co-Financial Advisors and the Underwriters with respect to matters solely within the knowledge of the City, United, the Co-Financial Advisors and the Underwriters, respectively, which Tax Counsel has not independently verified. If the City or United fails to comply with the covenants in the Trust Indenture or the Lease or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Series 2021B-1 Bonds could become includable in gross income from the date of delivery of the Series 2021B-1 Bonds, regardless of the date on which the event causing such inclusion occurs.

The Code imposes an alternative minimum tax on the “alternative minimum taxable income” of an individual, if the amount of such alternative minimum tax is greater than the amount of such individual’s regular income tax. Generally, the alternative minimum taxable income of an individual will include items of tax preference under the Code, such as the amount of interest received on “private activity bonds” issued after August 7, 1986. Accordingly, Tax Counsel’s opinion will state that interest on the Series 2021B-1 Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining a taxpayer’s alternative minimum tax liability.

Except as stated above, Tax Counsel will express no opinion as to the amount of interest on the Series 2021B-1 Bonds or any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Series 2021B-1 Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Trust Indenture upon the advice or with the approving opinion of Tax Counsel. Tax Counsel will express no opinion with respect to Tax Counsel’s ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Series 2021B-1 Bonds from gross income for federal income tax purposes.

Tax Counsel’s opinion is based on existing law, which is subject to change. Such opinion is further based on Tax Counsel’s knowledge of facts as of the date thereof. Tax Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Tax Counsel’s attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Tax Counsel’s opinion is not a guarantee of result and is not binding on the Service; rather, such opinion represents Tax Counsel’s legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinion. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Series 2021B-1 Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the City as the taxpayer and the owners may not have a right to participate in such audit. Public awareness of any future audit of the Series 2021B-1 Bonds could adversely affect the value and liquidity of the Series 2021B-1 Bonds regardless of the ultimate outcome of the audit.

### **Additional Federal Income Tax Considerations**

Collateral Tax Consequences. Prospective purchasers of the Series 2021B-1 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers qualifying for the health insurance premium assistance tax credit, and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the “branch profits tax” on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Series 2021B-1 Bonds. These categories of prospective purchasers should

consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Series 2021B-1 Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Series 2021B-1 Bonds, received or accrued during the year.

**Tax Accounting Treatment of Original Issue Premium.** The issue price of all of the Series 2021B-1 Bonds exceeds the stated redemption price payable at maturity of such Series 2021B-1 Bonds. Such Series 2021B-1 Bonds (the “Premium Bonds”) are considered for federal income tax purposes to have “bond premium” equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

### **Tax Legislative Changes**

Current law may change so as directly or indirectly to reduce or eliminate the benefit of the excludability of interest on the Series 2021B-1 Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Series 2021B-1 Bonds. Prospective purchasers of the Series 2021B-1 Bonds should consult with their own tax advisors with respect to any recently-enacted, proposed, pending or future legislation.

## **OTHER LEGAL MATTERS**

Legal matters incident to the authorization and issuance of the Series 2021B-1 Bonds are subject to the approving opinion of the Attorney General of the State of Texas and the approving opinions of Bracewell LLP as Co-Bond Counsel and Tax Counsel and West & Associates, L.L.P. as Co-Bond Counsel. Certain legal matters will be passed upon for United by Richa Himani, its Associate General Counsel – Commercial Transactions and by Mayer Brown LLP, its outside counsel, and for the Underwriters by their counsel, O’Melveny & Myers LLP.

## **MISCELLANEOUS**

The excerpts and descriptions herein of the Lease, the Trust Indenture, the Guaranty, the Continuing Disclosure Agreement and any other documents relating to the Series 2021B-1 Bonds and not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of such documents, copies of which may be obtained from United and from the Underwriters during the period of the initial offering of the Series 2021B-1 Bonds. APPENDIX A to this Official Statement incorporates by reference information concerning United, including certain financial information.

The Bank of New York Mellon Trust Company, National Association, in each of its capacities (including but not limited to the Trustee, Paying Agent and Bond Registrar) has not participated in the preparation of this Official Statement and assumes no responsibility for its content.

This Official Statement has been duly authorized by the City Council and approved by United.

**CITY OF HOUSTON, TEXAS**

Approved by:

**UNITED AIRLINES, INC.**



## APPENDIX A

### AVAILABILITY OF CERTAIN INFORMATION RELATING TO UNITED AIRLINES, INC.

#### Available Information

United is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files annual reports, quarterly reports, current reports, and any amendments to those reports, and other information with the SEC, which may be in the form of combined reports reflecting information about each of United and UAL. These filings are available to the public over the Internet at the SEC’s website at <http://www.sec.gov>. United’s internet address is [www.united.com](http://www.united.com) and its investor relations website is located at [ir.united.com](http://ir.united.com). The website addresses are provided as inactive textual references only and the information contained on the websites is not a part of, and is not incorporated by reference in, this Official Statement.

#### Incorporation of Certain Documents by Reference

The Official Statement incorporates by reference the documents listed below that United previously filed with the SEC (excluding any information that has been “furnished” but not “filed” for purposes of the Exchange Act) and that are not delivered with this Official Statement.

<b>Filings by United and Combined filings by UAL and United</b>	<b>Date filed</b>
Annual Report on Form 10-K for the year ended December 31, 2020 .....	March 1, 2021
Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 .....	April 22, 2021
Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 .....	July 22, 2021
Current Report on Form 8-K.....	March 3, 2021
Current Report on Form 8-K.....	March 31, 2021
Current Report on Form 8-K (Item 8.01 only).....	April 12, 2021
Current Report on Form 8-K.....	April 14, 2021
Current Report on Form 8-K.....	April 22, 2021
Current Report on Form 8-K.....	April 30, 2021
Current Report on Form 8-K (Item 1.01 only).....	June 29, 2021
Current Report on Form 8-K.....	June 30, 2021

All documents filed by United pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than current reports furnished on Form 8-K under Items 2.02 and 7.01, unless United specifically states in such current report that such information is to be considered “filed” under the Securities Exchange Act of 1934, as amended, or incorporates it by reference into a filing under the Securities Act of 1933, as amended) after the date of this Official Statement and until the earlier of (i) the time when this Official Statement is available to any person from the Municipal Securities Rulemaking Board, but in no case less than 25 days following the “end of the underwriting period” (as defined below), or (ii) 90 days after the “end of the underwriting period,” shall be deemed to be incorporated by reference in this Official Statement and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Official Statement, shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement. The “end of the underwriting period” means such time as the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Series 2021B-1 Bonds for sale to the public.

United will provide without charge to each person to whom this Official Statement is delivered, on written or oral request of such person, a copy of any or all documents incorporated by reference in this Official Statement without exhibits to such documents (unless such exhibits are specifically incorporated by reference into such

documents). Requests for such copies should be directed to the Corporate Secretary's Office, United Airlines, Inc., 233 S. Wacker Drive, Chicago, IL 60606.

## APPENDIX B

### SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following are summaries of certain provisions of the Master Terminal Trust Indenture, dated as of March 1, 1997, as supplemented by that certain First Supplemental Terminal Trust Indenture, dated as of December 1, 1998, that certain Second Supplemental Terminal Trust Indenture, dated as of November 1, 2011, that certain Third Supplemental Terminal Trust Indenture, dated as of March 1, 2015, that certain Fourth Supplemental Terminal Trust Indenture, dated as of June 1, 2020, and that certain Fifth Supplemental Terminal Trust Indenture, dated as of August 1, 2021 (together, the “Trust Indenture”). *The summaries contained in this Appendix B do not purport to be complete or definitive and are qualified in their entirety by reference to the full provisions of the Trust Indenture.*

#### Definitions

For purposes of this Appendix B, the following terms have the following meanings:

“Acquisition Fund” means the Acquisition Fund created under the Master Terminal Trust Indenture, and any accounts created in such fund, including the Series 2021B-1 Construction Account.

“Additional Bonds” means the additional parity revenue bonds permitted to be issued by the City pursuant to the Trust Indenture as described under “Additional Bonds and Refunding Bonds—Additional Bonds.”

“Airport” means George Bush Intercontinental Airport/Houston.

“Authorized Investments” means any of the investment securities that are authorized under the Texas Public Funds Investment Act, as amended, and the City’s investment policy, as amended.

“Bonds” means, collectively, the Series 2011 Bonds, the Series 2015B-1 Bonds, the Series 2020B-2 Bonds, the Series 2021B-1 Bonds, and any Additional Bonds and Refunding Bonds from time to time hereafter issued under the Trust Indenture.

“Business Day” means a day other than a Saturday, Sunday, or legal holiday or the equivalent (other than a moratorium) for banking institutions generally in Houston, Texas or New York, New York are authorized or required by law or executive order to close.

“Capitalized Interest Accounts” shall mean the accounts created in the Interest and Redemption Fund under the Trust Indenture for a particular series of Bonds.

“City” means the City of Houston, Texas.

“Costs of the Special Facilities” has the meaning assigned in Appendix C of this Official Statement.

“Guaranty Agreement” means certain guaranty agreements, including the Series 2021B-1 Guaranty Agreement, pursuant to which United (and its successors and assigns thereunder) unconditionally guarantees the payment of principal of and interest on the related series of Bonds.

“Holder” means the person in whose name such Bond is registered.

“Interest and Redemption Fund” means the Interest and Redemption Fund created under the Trust Indenture, and any accounts created in such fund.

“Lease” means that certain Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects) dated as of November 17, 2011, by and between the City and United, as amended and supplemented, including by that certain Amendment No. 1 to Second Amended and Restated Special Facilities Lease Agreement (United Airlines, Inc. Terminal Improvement Projects) dated as of February 21, 2013, that

certain Amendment No. 2 to the Second Amended and Restated Special Facilities Lease Agreement (United Airlines, Inc. Terminal Improvement Projects) dated as of April 10, 2015, that certain COVID-19 Airline Blanket Amendment dated as of April 27, 2020, and that certain Amendment No. 3 to Second Amended and Restated Special Facilities Lease Agreement (United Airlines, Inc. Terminal Improvement Projects) dated on or around the date of delivery of the Series 2021B-1 Bonds, and as may be further amended and supplemented from time to time as permitted pursuant to the Trust Indenture.

“Lessee” see “United” or “Lessee” below.

“Lessee Project Components” has the meaning assigned in Appendix C of this Official Statement.

“Net Rent” means the Special Facilities Payments payable by United to the Trustee on behalf of the City as defined under the Lease and pledged under the Trust Indenture to the payment of the Bonds.

“Outstanding” when used with respect to the Bonds means, as of the date of determination, the aggregate principal amount of all Bonds theretofore authenticated and delivered under the Trust Indenture, except, without duplication: (1) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation; (2) Bonds for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Bonds, provided that, if such Bonds are to be redeemed prior to the stated maturity thereof, notice of such redemption has been duly given pursuant to the Trust Indenture, or waived, or provision therefor satisfactory to the Trustee has been made; (3) Bonds in lieu of which another Bond has been authenticated and delivered under the Trust Indenture; and (4) Bonds held or owned by the City or United.

“Paying Agent” means the Trustee.

“Pledged Revenues” means the aggregate of (i) the Net Rent received or receivable; (ii) any amounts on deposit in the Acquisition Fund, except that amounts on deposit in any accounts therein for a particular series of Bonds shall be pledged only to such series of Bonds; (iii) any amounts on deposit in the Interest and Redemption Fund, inclusive of the Capitalized Interest Accounts therein, except that amounts in any such Capitalized Interest Accounts for a particular series of Bonds shall be pledged only to the series of Bonds such account is associated with; (iv) gross receipts (net of an amount equal to operating and maintenance expenses and allocable ground rentals payable or remaining unpaid under the Lease, and up to the amount of the Net Rent payable under the terms of the Lease) derived by the City from the exercise of any right, obligation or remedy specified or permitted by the Lease; and (v) any insurance proceeds or refunds and all condemnation payments related to the Special Facilities that are available or payable to the City pursuant to the Lease.

“Refunding Bonds” means the revenue refunding bonds permitted to be issued by the City pursuant to the Trust Indenture as described in under “Additional Bonds and Refunding Bonds—Refunding Bonds.”

“Series 2011 Bonds” means the City of Houston, Texas Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal Improvement Projects), Series 2011 (AMT).

“Series 2015B-1 Bonds” means the City of Houston, Texas Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2015B-1 (AMT).

“Series 2020B-2 Bonds” means the City of Houston, Texas Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2020B-2 (AMT).

“Series 2021B-1 Bonds” means the City of Houston, Texas Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2021B-1 (AMT).

“Series 2021B-1 Guaranty Agreement” means that certain Guaranty Agreement, dated as of August 1, 2021, pursuant to which United unconditionally guarantees the payment of principal of, premium, if any, and interest on the Series 2021B-1 Bonds.

“Special Facilities” has the meaning assigned in Appendix C of this Official Statement.

“Special Facilities Payments” has the meaning assigned in Appendix C of this Official Statement.

“Trustee” means The Bank of New York Mellon Trust Company, National Association, successor in trust to Chase Bank of Texas, National Association and to Texas Commerce Bank National Association, as trustee, or any bank or trust company appointed as a successor trustee under the Trust Indenture.

“United” or “Lessee” means United Airlines, Inc. (formerly known as Continental Airlines, Inc.), a Delaware corporation, and its successors and assigns as lessee to the interests created under the Lease.

### **Trust Indenture to Remain in Effect**

Except as supplemented and amended in the Fifth Supplemental, the Master Terminal Trust Indenture, as previously supplemented and amended, shall remain in full force and effect, it being the intention of the City that the Series 2021B-1 Bonds be considered Additional Bonds under the Trust Indenture. Further, the City acknowledges and confirms the rights of the Lessee to request and approve the issuance by the City of Additional Bonds and Refunding Bonds, as set forth in the Trust Indenture and in the Lease. The City covenants and agrees that the Series 2021B-1 Bonds are to be secured by the Pledged Revenues to the same extent any Bonds (including any Additional Bonds or Refunding Bonds) may be secured under the Trust Indenture. The Series 2021B-1 Bonds are entitled to the benefits of and are governed by the provisions, agreements, covenants and warranties contained in the Trust Indenture including, but not limited to, those provisions, agreements, covenants and warranties relating to Pledged Revenues and the Lease.

### **Source of Payment for Bonds**

The Bonds are special limited obligations of the City payable solely from, and secured by a lien on and pledge of, the Pledged Revenues. The Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City’s home rule charter and shall not be general obligations of the City. The Holders of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the City’s airport system.

### **Special Funds**

***Interest and Redemption Fund.*** The Interest and Redemption Fund will constitute a trust fund to be held in trust by the Trustee for the benefit of the Holders and will be used solely as provided in the Trust Indenture so long as any Bonds remain Outstanding.

The City shall deposit or cause to be deposited to the credit of the Interest and Redemption Fund all of the following:

- (i) As collected, all Net Rent paid under the Lease; and
- (ii) As collected, any and all other amounts required by the Lease or the Trust Indenture to be deposited into the Interest and Redemption Fund.

Moneys deposited to the credit of the Interest and Redemption Fund, including the Capitalized Interest Accounts (except that amounts in any such Capitalized Interest Accounts for a particular series of Bonds shall be pledged only to the series of Bonds such account is associated with), shall be used solely for the purpose of paying principal of (either at maturity or prior redemption) and interest on the Bonds.

At such time as the moneys and Authorized Investments on deposit to the credit of the Interest and Redemption Fund, including the Capitalized Interest Accounts, are sufficient to provide for the timely payment of all principal of and interest on the Bonds, together with all fees of the Trustee, the Paying Agent and other costs and expenses relating to such payments, no further payments need be made to the Interest and Redemption Fund.

***Acquisition Fund.*** The Acquisition Fund, including the accounts contained therein, shall constitute a trust fund which shall be applied and disbursed by the Trustee as provided in the Trust Indenture. Proceeds from the sale of the Series 2021B-1 Bonds shall be deposited in the Series 2021B-1 Construction Account of the Acquisition Fund.

***Unclaimed Amounts.*** Any money deposited with the Trustee for the payment of the principal of and interest on any Bonds and remaining unclaimed by the Holder after the expiration of three years from the date such funds have become due and payable shall be reported and disposed of by the Trustee in accordance with the provisions of Texas law. To the extent Texas law does not apply to any funds, such funds shall be paid by the Trustee to United upon receipt of a written request therefor from United. The Trustee shall have no liability to the Holders of the Bonds by virtue of actions taken in compliance with the foregoing.

### ***Investment of Funds***

Moneys from time to time on deposit to the credit of the Interest and Redemption Fund and the Acquisition Fund may be invested by the Trustee in Authorized Investments, as directed in writing by the City, subject to the consent of United, provided that United is not in default under the Lease. All investments shall belong to the fund or account from which such moneys were taken. The Trustee shall have the right to have sold in the open market a sufficient amount of such investments from any fund or account to meet its obligations from such fund or account if sufficient uninvested funds are not then on deposit therein. Neither the Trustee nor the City shall be responsible for any loss arising from investments made in accordance with the Trust Indenture, for the Bonds becoming “arbitrage bonds” by reason of any investments so made, or for any loss resulting from the redemption or sale of any such investments.

All Authorized Investments made with moneys deposited to the credit of the Interest and Redemption Fund, including the Capitalized Interest Accounts, shall mature on or before the last business day prior to the next Interest Payment Date on the Bonds to the extent there are not funds and investments already on deposit therein sufficient to provide for the payment of all amounts payable therefrom on such date.

All Authorized Investments made with moneys deposited to the credit of the Acquisition Fund shall mature at the times and in the amounts estimated by United to be required to make payment for the Costs of the Special Facilities pursuant to the Lease.

All interest and income derived from the deposit or investment of moneys in any Fund shall be credited to the Fund from which the deposit or investment was made.

### **Events of Default and Remedies**

***Events of Default.*** Each of the following occurrences or events is an “Event of Default” for the purposes of the Trust Indenture:

(a) The failure to make payment of the principal of or any installment of interest on any of the Bonds when the same shall become due and payable;

(b) The City shall fail, refuse or neglect to enforce the payment by United of Net Rent under the Lease, or otherwise fail, refuse or neglect to enforce any other provisions of the Lease in a manner which materially adversely affects the rights of the Holders of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with the terms and provisions of the Trust Indenture, and the continuation thereof for a period of 60 days after notice of such failure shall have been given to the City and United by the Trustee; and

(c) The City shall default in the due and punctual performance of any of the other covenants, conditions, agreements and provisions contained in the Bonds or in the Trust Indenture on its part to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City and United by the Trustee.

**Remedies.** Upon the happening and continuation of any Event of Default specified above under “—Events of Default,” the Trustee may, and upon the written request of the Holders of not less than 50% of the aggregate principal amount of the Bonds then Outstanding and upon indemnification as provided in the Trust Indenture, proceed against the City and/or United for the purpose of protecting and enforcing the rights of the Holders of the Bonds under the Trust Indenture and the Guaranty Agreement, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained in the Trust Indenture, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the Holders of the Bonds under the Trust Indenture or any combination of such remedies as the Trustee shall deem most effectual to protect and enforce any of its rights or the rights of the Holders of the Bonds. It is provided, however, that all such proceedings at law or in equity against the City shall be strictly limited to the security and source of payment pledged to the Bonds or such rights as the Trustee may have under the Guaranty Agreement, and shall be instituted and maintained for the equal benefit of all Holders of the Bonds. Each remedy, right or privilege provided in the Trust Indenture shall be in addition to and cumulative of any other remedy, right or privilege available at law or in equity, and the exercise of any remedy, right or privilege or the delay in or failure to exercise any remedy, right or privilege shall not be deemed a waiver of any other remedy, right or privilege under the Trust Indenture.

**Acceleration.** If an Event of Default as described in paragraph (a) of “—Events of Default” above relating to failure to make payment of the principal of or interest on the Bonds when due and payable shall occur and be continuing, then the Trustee may, by written notice delivered to the City and United, declare the principal of the Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; however, such declaration is subject to the condition that if, after the principal of and interest on the Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as provided in the Trust Indenture, there shall have been deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by State law, on overdue installments of interest, at the rate per annum borne by the Bonds on the date of such declaration) and such amounts as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee, and all Events of Default under the Trust Indenture other than nonpayment of the principal of Bonds which shall have become due by said declaration shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission and annulment to the City and United and, if notice of the acceleration of the Bonds shall have been given to the Holders, shall give notice thereof to the Holders, but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Notwithstanding anything in the Trust Indenture to the contrary, the remedy of acceleration may be exercised only at such time as there are insufficient funds in the Interest and Redemption Fund, including the Capitalized Interest Accounts, and no other sources of funds are available to make payment of principal of and interest on the Bonds when they shall become due and payable and so long as such principal of and interest on the Bonds are paid as they become due, from whatever source, the remedy of acceleration may not be exercised.

**Effect of Discontinuance of Proceedings.** In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the City, the Trustee and each Holder shall be restored to their former positions and rights under the Trust Indenture, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

**Right of Holders to Direct the Proceedings.** Anything in the Trust Indenture to the contrary notwithstanding, the Holders of a majority in principal amount of the Bonds then Outstanding under the Trust Indenture shall have the right, upon the indemnification of the Trustee as provided in the Trust Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Trust Indenture, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Trust Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to the Holders not parties to such direction.

***Restrictions Upon Action by Individual Holders.*** No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Trust Indenture or for any other remedy under the Trust Indenture unless (i) such Holder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (ii) the Holders of not less than 50% in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted to the Trustee or to institute such action, suit or other proceeding in its or their name, (iii) there shall have been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and (iv) the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Trust Indenture or for any other remedy thereunder. No one or more Holders secured by the Trust Indenture shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Trust Indenture or to enforce any right thereunder except in the manner provided in the Trust Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the benefit of all Holders.

***Trustee's Right to Act Without Possession of Bonds.*** All rights of action under the Trust Indenture or under any of the Bonds, enforceable by the Trustee, may be brought against third parties or otherwise, may be enforced by it without the possession of any of the Bonds or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Bonds, subject to the provisions of the Trust Indenture.

***Right of Individual Holder to Enforce Payment.*** Nothing contained in the Trust Indenture shall affect or impair the right of any Holder to enforce the payment of the principal of and interest on his Bonds or the obligation of the City to pay the principal of and interest on each Bond issued under the Trust Indenture to the Holders thereof at the time and place expressed in said Bond.

## **The Trustee**

***Removal of Trustee.*** The Trustee may be removed at any time by (i) the City, upon request of the Lessee if no Event of Default by the Lessee is then continuing, by delivering notice thereof to the Trustee and the City, or (ii) an instrument or concurrent instruments in writing, signed by the Holders of a majority in principal amount of the Bonds then Outstanding (which notice of removal shall be approved by Lessee if no Event of Default by Lessee is then continuing) and delivered to the Trustee, with notice thereof given to the City.

## **Supplemental Indentures**

***Supplemental Indentures Not Requiring Consent of Holders.*** The City and the Trustee may without the consent of, or notice to, any of the Holders of the Bonds enter into an indenture or indentures supplemental to the Master Terminal Trust Indenture for any one or more of the following purposes:

- (a) to cure any ambiguity, defect, omission or inconsistent provision in the Trust Indenture or in the Bonds or make any other provision with respect to matters or questions arising under the Trust Indenture; provided, however, that such action shall not, based upon an opinion of counsel, materially adversely affect the interests of the Holders;
- (b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Trustee;
- (c) to add to the covenants and agreements of the City contained in the Trust Indenture other covenants and agreements of, or conditions or restrictions upon, the City or to surrender or eliminate any right or power reserved to or conferred upon the City in the Trust Indenture;
- (d) to subject to the lien and pledge of the Trust Indenture additional revenues, properties or collateral;



(e) to provide for the issuance, sale and delivery of Additional Bonds as provided in the Trust Indenture and, in connection therewith, to provide for (i) the deposit of the proceeds of such Additional Bonds, (ii) the disbursement of such proceeds in connection with any part of the facilities to be financed by means of such Additional Bonds, and (iii) the payment of the principal, interest and premium, if any, on such Additional Bonds;

(f) to provide for the issuance, sale and delivery of Refunding Bonds as provided in the Trust Indenture;

(g) to make any other change, unless in the judgment of the Trustee, based upon an opinion of counsel, such other change would materially adversely affect the interest of the Trustee or the Holders; and

(h) to maintain or preserve the federal tax exemption relating to interest on the Bonds or to comply with any state and/or federal securities law, including without limitation, any applicable regulation of the Securities and Exchange Commission.

When requested by the City, the Trustee shall, subject to the terms and conditions described below under “—Rights of the Trustee,” join the City in the execution of any of such supplemental indenture.

***Supplemental Indentures Requiring Consent of Holders.*** The City and the Trustee may, at any time, enter into one or more supplements to the Trust Indenture amending, modifying, adding to or eliminating any of the provisions of the Trust Indenture but, if such supplement is not of the character described under the subheading “—Supplemental Indentures Not Requiring Consent of Holders” above, only with the written consent of United and the Holders of not less than 50% of the Bonds Outstanding at the time of the adoption of such amendatory indenture (not including any Bonds then held or owned by the City); provided, however, that, without the consent of all Holders, no supplemental indenture shall have the effect of permitting: (i) an extension of the maturity of any Bonds; (ii) a reduction in the principal amount of any Bonds, the rate of interest thereon, or any redemption premium payable thereon; (iii) the creation of a lien upon or pledge of any Pledged Revenues ranking superior to, or on parity with, the lien or pledge created in the Trust Indenture; (iv) a reduction of the principal amount of Bonds required for consent to amendments to the Trust Indenture; (v) the establishment of priorities among Bonds; or (vi) a reduction in the aggregate principal amount of the Bonds required for consent to any other change in the Trust Indenture, without the consent of the Holders of all of the Bonds of the series of Bonds affected then Outstanding.

If at any time the City shall request the Trustee to enter into any supplemental agreement to amend the Trust Indenture as described under this subheading, the Trustee shall cause notice of the proposed execution of such supplemental agreement to be given in writing to the Holders of all of the Bonds. Such notice shall briefly set forth the nature of the proposed supplemental agreement and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Holders.

Whenever, at any time within one (1) year after the date of the first giving of such notice, the City shall deliver to the Trustee an instrument or instruments purporting to be executed by the Holders of not less than 50% in an aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplemental agreement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such supplemental agreement in substantially such form, without liability or responsibility to any Holder, whether or not such Holder shall have consented thereto.

If the Holders of not less than 50% in aggregate principal amount of the Bonds Outstanding at the time of the execution of a supplemental agreement meeting the requirements of the Trust Indenture described under this subheading shall have consented to and approved the execution thereof, no Holder shall have any right to object to the execution of such supplemental agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental agreement pursuant to the provisions of the Trust Indenture, the Trust Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under the Trust Indenture and the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under such Trust Indenture, subject in all respects to such modifications and amendments.

Any consent given by the Holder pursuant to the provisions of the Trust Indenture as described under this subheading shall be irrevocable for a period of six months from the date of the giving of the notice and shall be conclusive and binding upon all future Holders of the same Bond during such period. At any time after six months from the date of giving notice, such consent may be revoked by the Holders who gave such consent or by a successor in title by filing notice of such revocation with the Trustee, but such revocation shall not be effective if the Holders of 50% of the Bonds Outstanding, prior to receipt by the Trustee of the attempted revocation, consented to and approved the amendatory agreement referred to in such revocation.

The fact and date of the execution of any instrument described under this subheading may be proved by the certificate of any officer in any jurisdiction, who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof; or such facts may be proved by an affidavit of a witness to such execution sworn to before such officer.

***Rights of Trustee.*** The Trustee shall not be required to enter into any supplement to the Trust Indenture, unless it shall have received an opinion of counsel (if reasonably requested under the circumstances), addressed to the Trustee, reasonably satisfactory to it that such supplement or amendment complies with the provisions of the Trust Indenture, that all conditions precedent to the execution and delivery of such supplemental indenture have been complied with, and that the execution and delivery of such supplemental indenture will not materially adversely affect the interests of the Holders of the Bonds. Moreover, the Trustee shall not be required to execute any supplement to the Trust Indenture (except a supplement providing for the issuance of Additional Bonds pursuant to the applicable provisions of the Trust Indenture entitling the Trustee to the same rights, privileges and immunities in respect of such Additional Bonds as provided in respect of the Bonds) if such supplement or amendment materially adversely affects its rights, duties or immunities under the Trust Indenture, in which case the Trustee may, in its discretion, but shall not be obligated to, enter into or consent to such supplement or amendment.

***Approval by United.*** So long as no Event of Default has occurred and is continuing (other than an Event of Default not attributable to United's actions or failure to act), no supplemental indenture or agreement shall become effective unless and until United delivers to the City and the Trustee a written consent to the terms of such supplemental indenture or agreement.

***Approval by City.*** The City shall not unreasonably withhold or delay its consent to a supplemental indenture or agreement meeting the requirements of the Trust Indenture.

#### **Defeasance of the Series 2021B-1 Bonds**

The following provisions are applicable to the Series 2021B-1 Bonds only and do not apply to the other Bonds issued pursuant to the Trust Indenture.

The City may discharge its obligation to the Holders of any or all of the Series 2021B-1 Bonds to pay principal, interest and redemption premium (if any) thereon in any manner now permitted by law or as may be then permitted by law, including, but not limited to, by depositing with an escrow agent or with the Paying Agent for such Series 2021B-1 Bonds either: (i) cash in an amount equal to the principal amount and redemption premium, if any, of such Series 2021B-1 Bonds plus interest thereon to the date of maturity or redemption, or (ii) pursuant to an escrow or trust agreement, cash and/or Investments (as defined in the following paragraph) in principal amounts and maturities and bearing interest at rates sufficient (in the opinion of an independent certified public accountant) to provide for the timely payment of the principal amount and redemption premium, if any, of such Series 2021B-1 Bonds plus interest thereon to the date of maturity or redemption; provided, however, that if any of the Series 2021B-1 Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in the form of Series 2021B-1 Bonds. To accomplish defeasance, the City shall cause to be delivered either a report (a "Report") of an independent certified public accountant acceptable to the Trustee verifying the

sufficiency of such deposit or an opinion (a “Defeasance Opinion”) of nationally recognized bond counsel to the effect that such Series 2021B-1 Bonds are no longer outstanding under State law and the Trust Indenture; the Report or Defeasance Opinion shall be acceptable in form and substance and addressed to the City, United and the Trustee. Upon such deposit and delivery of the Report or Defeasance Opinion, such Series 2021B-1 Bonds shall no longer be regarded to be Outstanding or unpaid.

As used in the above paragraph, “Investments” means: (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City authorizes the discharge by deposit of any or all of the Series 2021B-1 Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the City authorizes the discharge by deposit of any or all of the Series 2021B-1 Bonds, are rated as to investment quality by a nationally recognized investment rating firm of not less than AAA or its equivalent; and (d) any other obligation or investment permitted under Chapter 1207, Texas Government Code, as amended.

### **Covenants of the City**

***Concerning the Lease.*** The City covenants and warrants, among other things, that so long as any Bonds remain Outstanding, (i) the City will not consent to or grant any modification of or amendment to the section of the Lease governing United’s obligation to pay Special Facilities Payments; (ii) the City will not consent to or grant any modification of or amendment to any other provision of the Lease that would have the effect of reducing, altering or modifying the obligations and commitments of United contained in the sections of the Lease governing United’s obligation to pay Special Facilities Payments, or would minimize, reduce or lessen the rights of the City in the event of a default in the payment of Net Rent by United thereunder, or would materially and adversely affect the security provided in the Trust Indenture for the payment of the Bonds; and (iii) the City will perform and discharge its duties and obligations under the Lease and will use its best efforts to require United to perform and discharge each and all of its duties and obligations thereunder.

***Collection of Net Rent.*** The City shall use diligence to cause the Net Rent payable by United under the Lease to be paid by United to Trustee on behalf of the City in the amounts and at the times necessary to enable the City to make all deposits to the Interest and Redemption Fund required in the Trust Indenture and in the Lease.

***Completion and Acquisition of Special Facilities.*** The City covenants and agrees to use its best efforts to cause the Lessee Project Components to be acquired by and conveyed to the City and to cause the Lessee to apply the proceeds of the Bonds (other than Refunding Bonds) for such purpose.

***Diligence in Certain Events of Default.*** In the Event of a Default by United under the Lease (and whether or not it elects to terminate the Lease), the City covenants and agrees to use its best efforts to keep the Special Facilities leased, or subleased, on a net rent lease basis and to impose and collect from each such lessee or sublessee net rentals for the use of the Special Facilities in such amounts and under such terms and conditions as shall be sufficient to pay and retire the Bonds and all interest thereon when and as due and payable and to maintain the amounts required to be on deposit in the Interest and Redemption Fund and to provide for the proper maintenance and operation and insurance of the Special Facilities without expense to the City.

***Payment of Bonds.*** Subject to the provisions of the Trust Indenture described above under “Source of Payment for Bonds,” the City agrees promptly to cause to be paid as same become due and payable the principal of and interest on the Bonds.

### ***Transfers and Assignments.***

So long as any Bonds remain Outstanding, the City shall not and shall cause the Lease not to sell, dispose of, or encumber any portion of the Special Facilities, except as may be permitted under the Lease, the Guaranty Agreement and the Trust Indenture; provided, however, that this prohibition shall not prevent the City from disposing

or permitting the disposal of any portion of the Special Facilities that has been declared surplus or is no longer needed or useful for the proper operation of the Special Facilities.

(b) So long as any Bonds remain Outstanding, the City covenants that it will not consent to any assignment by United of its rights under the Lease without first obtaining a written agreement from United that United shall remain primarily liable for Net Rent due thereunder subject to certain provisions set forth in the Lease regarding limited exceptions to United's obligation to maintain its corporate existence.

***Books, Audits, Inspections.*** So long as any Bonds remain Outstanding, the Trustee shall keep proper books and records and accounts showing complete and correct entries of all transactions relating to Net Rent, the Special Facilities and the Lease.

***Pledged Revenues, Encumbrance of Pledged Revenues.*** The Pledged Revenues are not in any manner pledged to the payment of any debt or obligation of the City other than the Bonds. Except through the issuance of Additional Bonds and Refunding Bonds, the City covenants that it will not in any manner pledge or further encumber the Pledged Revenues.

### **Additional Bonds and Refunding Bonds**

***Additional Bonds.*** For the purpose of paying other costs of Special Facilities, as provided in the Lease, the City reserves the right to issue one or more series of Additional Bonds payable from, and secured by a first lien on and pledge of, the Pledged Revenues, on a parity with the Bonds; provided, however, that no such Additional Bonds shall be issued unless all of the following requirements are satisfied:

(i) The City and Trustee shall execute a supplemental agreement to the Trust Indenture providing for the issuance of such Additional Bonds.

(ii) The Director of Aviation, Houston Airport System (or any successor to that function) shall execute a certificate stating in effect that no Event of Default under the Lease by United then exists and that the City's right to issue Additional Bonds and United's obligation to pay increased Net Rent thereunder has not been altered, rescinded, amended or changed by United or the City.

(iii) The issuance of any Additional Bonds shall be approved by United in the manner required by the Lease, as evidenced by a written instrument executed by United acknowledging that the Net Rent under the Lease will be increased in an amount sufficient to pay all principal, interest and redemption premiums, if any, on the Additional Bonds as the same mature and become due or are required to be mandatorily redeemed, and all fees of the Trustee, the Paying Agent and other costs and expenses relating to the payment thereof.

***Refunding Bonds.*** In addition to any Additional Bonds, the City shall have the right in accordance with any applicable law to issue Refunding Bonds to refund all or any part of any Outstanding Bonds, provided that no Refunding Bonds shall be issued which will have a lien on Pledged Revenues prior and superior to any Bonds which will remain Outstanding after the refunding, and provided further that, in the event less than all Bonds then Outstanding are refunded, such Refunding Bonds shall not be issued unless the requirements listed above for the issuance of Additional Bonds are satisfied.

### **Payment or Action on Other than Business Days**

Unless otherwise provided in the Trust Indenture, if the specified date for the making of any payment or the taking of any action as provided in the Trust Indenture is not a Business Day, such payment may be made or action taken, as the case may be, on the next succeeding Business Day with the same force and effect as if such payment were made or action taken on the nominal date therefor, and, with respect to any payment so made, no interest shall accrue for the period from the nominal date of payment to the date such payment is made in accordance with this paragraph.

## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

The following are summaries of certain provisions of (i) the Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects) between the City of Houston, Texas and United Airlines, Inc. (formerly known as Continental Airlines, Inc.) (“Lessee”), effective as of November 17, 2011 (as amended and supplemented prior to the issuance of the Series 2021B-1 Bonds, including by that certain Amendment No. 1 to Second Amended and Restated Special Facilities Lease Agreement (United Airlines, Inc. Terminal Improvement Projects) dated as of February 21, 2013, that certain Amendment No. 2 to the Second Amended and Restated Special Facilities Lease Agreement (United Airlines, Inc. Terminal Improvement Projects) dated as of April 10, 2015, and that certain COVID-19 Airline Blanket Amendment dated as of April 27, 2020, the “Original Lease”), which amended and restated that certain Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects) dated as of March 1, 1997, between the City and Lessee, as amended and restated by a First Amended and Restated Special Facilities Lease Agreement (Continental Airports, Inc. Terminal Improvement Projects) dated as of December 1, 1998, and (ii) Amendment No. 3 to Second Amended and Restated Special Facilities Lease Agreement (United Airlines, Inc. Terminal Improvement Projects) (the “Third Amendment” and, together with the Original Lease, as the same may be further amended or supplemented from time to time, the “Lease”).

The Series 2021B-1 Bonds qualify as “Additional Bonds” under the Lease. Accordingly, all references in this Appendix C to “Bonds” include the Series 2021B-1 Bonds.

***The summaries contained in this Appendix C do not purport to be complete or definitive and are qualified in their entirety by reference to the full provisions of the Lease.***

#### Definitions

The following terms have the following meanings:

“2021 Lessee Project Components” means the improvements financed by the Series 2021B-1 Bonds, specifically, (i) the 2021 Terminal C Baggage Handling System, and (ii) the EBS. The 2021 Lessee Project Components constitute Lessee Project Components and do not constitute a Deferred Phase.

“2021 Terminal C Baggage Handling System” means the baggage handling system, tenant improvements, fixtures, equipment, personnel areas and related facilities located in Terminal C, all as more fully described in the Lease.

“Additional Bonds” has the meaning assigned in Appendix B of this Official Statement.

“Affiliate” means any air carrier operating at the Airport that conducts all or a portion of its air carrier operations at the Airport during the term of the Lease under Lessee’s name or a derivative thereof, but only with respect to such operations conducted under Lessee’s name or a derivative thereof.

“Airport” means George Bush Intercontinental Airport/Houston, as it now exists or may be modified or expanded from time to time in the future.

“Airport System” means all airport, heliport and aviation facilities, or any interest therein, now or from time to time hereafter owned, operated or controlled in whole or in part by the City, together with all properties, facilities and services thereof, and all additions, extensions, replacements and improvements thereto, and all services provided or to be provided by the City in connection therewith, but expressly excluding special facilities. The Airport System currently includes the present airports of the City, known as “George Bush Intercontinental Airport/Houston,” “William P. Hobby Airport” and “Ellington Airport” (formerly known as “Ellington Field”).

“APM” means the automated people mover system, including stations, walkways, guideways and maintenance and control facilities, which connects Terminals A, B, C, and D/E.

“Apron” or “Apron Areas” means the apron area for the various terminals at the Airport, including the Terminal B Apron Area, which includes the Terminal B South Concourse Apron and the Terminal B North Concourse Apron.

“B-D Connector” means the space between the Terminal B Northeast pier being constructed as part of the Terminal B North Concourse Development Project and the D1 pier of Mickey Leland International Terminal (also known as Terminal D), consisting of gates C24 through C27.

“Best Efforts” when used in the Lease in connection with a party’s taking of an action or attempting to cause a specific result to occur means that the party obligated to use its Best Efforts in such regard will use all commercially reasonable efforts under the then applicable circumstances, as considered in good faith by the party so obligated, to take such action or cause such result to occur, it being agreed, however, that without limiting the generality of the foregoing, when describing an obligation of the City, “Best Efforts” will not include the obligation to invoke the City’s police powers or any other power or authority derived solely from the City’s status as a municipal corporation.

“Bonds” has the meaning assigned in Appendix B of this Official Statement.

“Central FIS” means the Airport’s existing Federal Inspection Services facility located between Terminals D and E.

“City” means the City of Houston, Texas, or such other agency, board, authority, or private entity which may succeed to the jurisdiction of the City over the Airport.

“City Amortization” means the level annual charge required to recover the net cost of a City Capital Improvement over the useful life of such City Capital Improvement at the City’s cost of capital, as provided in the Lease.

“City Capital Improvements” means any improvement or asset, or series of related improvements or assets, acquired or constructed by City at the Airport, including without limitation any security facilities or equipment, which has a net cost of \$150,000 or more (adjusted annually for changes in the Consumer Price Index from July 1, 1998 to a maximum of \$300,000) and a useful life of more than one year (but excluding facilities acquired or constructed with the proceeds of special facility revenue bonds which are secured solely by the net rent payable under the special facility lease for such facility and which debt service is in fact retired in such manner, unless such facilities are subsequently acquired by the City). For the purposes of the Lease, the net cost of each City Capital Improvement will be the total cost (including, without limitation, actual construction costs, acquisition costs, equipment costs, architectural and engineering fees, program management fees, testing and inspection fees, construction management fees, permit fees and other direct or allocable fees; interest during construction, and allocable out of pocket financing costs) less any grants-in-aid or similar amounts used in financing such City Capital Improvement.

“City Charges” means those charges authorized as described under the heading “Special Facilities Payments; Other Rent and Charges—City Charges” herein.

“City Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the City, paid or accrued, of operating, maintaining, repairing, and administering the Airport, as further provided in the Lease.

“City Project Components” means those components of the Terminal B Project being constructed and financed by the City, other than with the Bonds, which consist of the Terminal B South Concourse Apron, the Terminal B North Concourse Apron, certain heating/cooling utilities, and certain infrastructure improvements, all as more fully described in exhibits to the Lease, together with any modifications, additions or reductions thereto approved by the Director subject to the limitations imposed by the Trust Indenture.

“Costs of Lessee Project Components” or “Costs of the Special Facilities” means all financing costs and other costs of the construction and acquisition of Lessee Project Components or other Special Facilities, as the case may be, and the issuance of Bonds for such purpose, including without limitation the following:

- (i) all amounts paid to design, construct, acquire, fabricate, equip and install Lessee Project Components or other Special Facilities, including without limitation, all costs to be paid by Lessee for utility extensions and connections incurred by Lessee and all amounts paid under all contracts for goods, services and facilities related thereto;
- (ii) all amounts necessary to provide for work performed, material purchased or expenditures incurred, pertaining to or in connection with Lessee Project Components or any other Special Facilities approved by the City including, without limitation, the charges of any architects or engineers for plans, specifications, drawings, supervision and inspection for Lessee Project Components or Special Facilities;
- (iii) all expenses incurred for the review of plans, specifications and contracts for Lessee Project Components or other Special Facilities and for the inspection in connection with the construction and acquisition thereof;
- (iv) the cost of any and all permits, licenses, fees, performance and payment bonds, appraisals and insurance policies procured in connection with the acquisition and construction of Lessee Project Components or other Special Facilities;
- (v) legal, accounting and bond advisory, underwriting and consultant fees and expenses, including any fees and expenses of any bond insurer and provider of any reserve fund surety, letter of credit, bond rating agencies and all costs and expenses incident to the authorization, issuance, delivery and sale of the Bonds, including without limitation the preparation, execution, delivery and recording of the Lease, the Trust Indenture, any preliminary and the final offering documents pertaining to the Bonds, and any printing fees for such documents, any purchase agreements pursuant to which the Bonds will be sold, all credit agreements and other documents providing security for the Bonds or the obligations owing to the City under the Lease and all other agreements and documents involved and contemplated by the Lease, the costs and fees, including legal fees, incident to the qualification of the Bonds for offer and sale under securities laws and the preparation of any memorandum as to the eligibility of the Bonds for offer and sale and for investment under state laws if required or if applicable;
- (vi) interest accruing on the Bonds during the period of construction of Lessee Project Components or other Special Facilities financed with the proceeds thereof;
- (vii) any Ground Rentals and utility charges payable as described under the heading “Special Facilities Payments; Other Rent and Charges—Operation and Maintenance and City Charges Relating to Lessee Project Components and Other Special Facilities” herein relating to the Terminal B Project during the period of construction of Lessee Project Components or other Special Facilities financed with the proceeds of the Bonds; and
- (viii) such other and additional fees, costs, expenses and expenditures of whatever nature incidental or pertaining to the design, acquisition, construction, fabrication, equipping and installation of Lessee Project Components or other Special Facilities, including funding of the Reserve Account, if any (as defined in the Trust Indenture), and all other costs and expenses that may properly be capitalized as costs of Lessee Project Components or other Special Facilities.

“Deferred Phase” means any Phase of Lessee Project Components not included in the Initial Phase, together with the Existing Terminal B Improvements appertaining thereto, once such portion of the Existing Terminal B Improvements is designated part of a Deferred Phase, which Deferred Phase Lessee may or may not construct, as determined by Lessee in its sole discretion. The 2021 Lessee Project Components will not constitute a Deferred Phase.

“Director” means the Director of the Houston Airport System or her or his designee.

“Easements” means the easements described in the Lease.

“EBS” means the early baggage storage system building and the early baggage storage system fire pump room, as more fully described in the Lease, together with any modifications, additions or reductions thereto approved by the Director.

“EBS Air Space” means that certain parcel of air space in which the early baggage storage system building will be located, subject to adjustment by mutual agreement and subject to the requirements set forth in the Lease.

“EBS Lease Property” means (i) the EBS Air Space, (ii) the footprint of the stairwell and footers for the early baggage storage system building within South Terminal Road between Terminal C and Terminal E, and (iii) the footprint of the early baggage storage system fire pump room.

“EBS Rental Rate” means, initially, \$0.66 per square foot per year.

“EBS Temporary License Area” means that certain area of land within and adjacent to South Terminal Road, which includes (i) the EBS Lease Property (excluding the EBS Air Space) and (ii) the areas around and adjacent thereto that Lessee will utilize for staging of construction equipment and construction access during the period of construction of the EBS, all as more fully described in the Lease.

“EBS Temporary License Expiration Date” means the earlier of (i) the date that Lessee provides written notice to the Director of its termination of the EBS Temporary License, and (ii) the date that is 30 days after Substantial Completion of the EBS.

“Effective Date” means November 17, 2011.

“Event of Default” means those events so defined under the heading “Events of Default and Remedies—Events of Default” herein.

“Existing Terminal B Improvements” means those facilities and improvements described in an exhibit to the Lease that were existing on the Effective Date; provided, however, once a portion of the Existing Terminal B Improvements is designated a part of a Deferred Phase, such portion will no longer be considered a part of the Existing Terminal B Improvements.

“Expiration Date” means thirty years from the Effective Date.

“Extension Option” has the meaning set forth under the heading “Lease and Term; Grant of Easements and Ground Leases; Exclusive and Preferential Use Space—Term of Lease; Options to Extend” herein.

“Extension Term” has the meaning set forth under the heading “Lease and Term; Grant of Easements and Ground Leases; Exclusive and Preferential Use Space—Term of Lease; Options to Extend” herein.

“Fiscal Year” means the City’s fiscal year, currently July 1 to June 30.

“Favorable Opinion of Bond Counsel” means an opinion of nationally recognized bond counsel selected by the City that the action proposed to be taken, in and of itself, will not adversely affect the exclusion of interest on the Bonds from gross income of the holders thereof for federal income tax purposes.

“Full Lease Term” means, with respect to any Deferred Phase, the period following its Primary Lease Term as described under the heading “Special Provisions Regarding Terminal B Phasing and Transition and Prior Special Facilities Leases—Deferred Phases: Primary Lease Term and Full Lease Term” herein.

“Ground Lease Properties” means the footprints for the Terminal B South Concourse, the Terminal B North Concourse, the Terminal B ATO, the Terminal B Baggage System Enhancement, Terminal B Baggage Claim Expansion, and the Second FIS/Interim Terminal B ATO as are required to construct Lessee Project Components



thereon or therein, and will include those portions of Terminal C leased pursuant to the Use and Lease Agreement as are reasonably necessary to make the Special Facilities located therein leaseable, all as more fully described in an exhibit to the Lease. Ground Lease Properties will also initially include the Letter Agreement Premises, subject also to certain provisions of the Transition Lease Terms. Upon the Third Amendment Effective Date, Ground Lease Properties will include the portion of the Ground Lease Properties not previously leased under the Original Lease and constituting the footprint for the floor space required to construct the 2021 Lessee Project Components, including the EBS Lease Property, all as more fully described in the Lease.

“Ground Rentals” means the rentals to be paid directly to the City as described under the heading “Special Facilities Payments; Other Rent and Charges—Ground Rentals” herein as consideration for the Ground Lease Properties.

“Ground Rental Rate” means (a) with respect to the Initial Phase, the ground rental rate per square foot for the footprint of the South Concourse, as defined in the Terminal E Lease, that is payable by Lessee and in effect, in accordance with the Terminal E Lease, on the date of Substantial Completion of the Initial Phase, (b) with respect to any Deferred Phase, the ground rental rate per square foot that is in effect for the Initial Phase on the date of Substantial Completion of such Deferred Phase, (c) with respect to the 2021 Terminal C Baggage Handling System, the ground rental rate per square foot that is in effect for the Initial Phase as of the Third Amendment Effective Date, and (d) with respect to the EBS Temporary License Area and the EBS Lease Property, the EBS Rental Rate. The Ground Rental Rate will be subject to escalation as described under the heading “Special Facilities Payments; Other Rent and Charges—Ground Rentals” herein.

“Guaranteed Minimum Traffic Level” means the lesser of (i) 3.2 million, increasing to 3.36 million for the Fiscal Year immediately following the later of (x) the fifth anniversary of Substantial Completion of the Second FIS or (y) December 31, 2018, and all Fiscal Years thereafter or (ii) the total number of all arriving international passengers processed through both the Central FIS and the Second FIS during any Fiscal Year.

“Guaranteed Minimum Traffic Level Shortfall” means the Guaranteed Minimum Traffic Level less the total number of international arriving passengers processed through the Central FIS for the applicable Fiscal Year, multiplied by the Central FIS charge as calculated in the City’s annual Fiscal Year rates and charges and Fiscal Year reconciliation and as if the Guaranteed Minimum Traffic Level were processed through the Central FIS.

“Guaranty Agreement” has the meaning assigned in Appendix B of this Official Statement.

“HAS” or “Houston Airport System” or successor name means the department of the City responsible for the operation of the Airport and the Airport System, formerly known as the Department of Aviation.

“Initial Phase” means the first Phase of Lessee Project Components financed with the Series 2011 Bonds.

“Interest and Redemption Fund” has the meaning assigned in Appendix B of this Official Statement.

“International Facilities Agreement” means the lease or facilities agreement from time to time in effect with respect to Lessee’s occupancy of Terminal D at the Airport.

“Lessee Project Components” means the Terminal B South Concourse, the Terminal B North Concourse, the Terminal B ATO Facility, the Terminal B Baggage System Enhancement, the Second FIS/Interim Terminal B ATO, and the Terminal B Baggage Claim Expansion, and the 2021 Lessee Project Components, all as more fully described in exhibits to the Lease, together with any modifications, additions or reductions thereto approved by the Director. Lessee Project Components also include planning and renovation of the B-D Connector.

“Lessee’s Terminal B Project” means Lessee’s leasehold estate in the Ground Lease Properties and Lessee Project Components and the rights granted in the Lease to Lessee in the City Project Components and the Easements.

“Letter Agreement Premises” means those certain 269,686 square feet located on the airfield between Terminal B and Terminal C north of the airport hotel and south of the connector taxilane that Lessee leased pursuant to a certain letter agreement dated August 21, 2000, between HAS and Lessee.

“Net Rent” means the Special Facilities Payments.

“Outstanding” has the meaning assigned in Appendix B of this Official Statement.

“Phase” means a designated portion of Lessee Project Components. Phases include the Initial Phase, one or more Deferred Phases, and the 2021 Lessee Project Components.

“Primary Lease Term” means, with respect to any Deferred Phase, the period described under the heading “Special Provisions Regarding Terminal B Phasing and Transition and Prior Special Facilities Leases—Deferred Phases: Primary Lease Term and Full Lease Term” herein.

“Prior Special Facilities” means those “special facilities” as described in the Prior Special Facilities Leases and financed with Prior Special Facilities Bonds other than “special facilities” located in Terminal D.

“Prior Special Facilities Bonds” means, collectively, the City’s Airport System Special Facilities Revenue Bonds, (Continental Airlines, Inc. Terminal Improvement Projects), Series 1997B and the City’s Airport System Special Facilities Revenue Bonds, (Continental Airlines, Inc. Terminal Improvement Projects), Series 1998B.

“Prior Special Facilities Leases” means that certain Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects) dated as of March 1, 1997, as Amended and Restated as of December 1, 1998, between the City, as lessor, and Lessee.

“Program Definition Manual” means the Program Definition Manual for the Terminal B Project jointly developed by the City and Lessee dated August 8, 2008, as it may be amended from time to time with the joint concurrence of the City and Lessee.

“Refunding Bonds” has the meaning assigned in Appendix B of this Official Statement.

“Second FIS/Interim Terminal B ATO” means those buildings, improvements, fixtures, equipment and related facilities more fully described in an exhibit to the Lease and as more fully provided in the Program Definition Manual.

“Segment” means any discrete, independently operable segment of the Lessee Project Components or City Project Components as may be agreed to by Lessee and the Director for which a date of Substantial Completion may be established.

“Series 2011 Bonds” means the City’s Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal Improvement Projects), Series 2011 (AMT).

“Special Facilities” means (i) Lessee Project Components, all extensions, additions, modifications and improvements thereto and all other improvements, fixtures, equipment and facilities that, pursuant to the Lease or any supplement hereto or amendment hereof, are financed with any proceeds of the Series 2011 Bonds, any amounts deposited pursuant to the terms of the Lease, or any Additional Bonds, (ii) the Prior Special Facilities, and (iii) any Existing Terminal B Improvements once they are designated as part of a Deferred Phase.

“Special Facilities Payments” means the rentals payable to the Trustee on behalf of the City as described in subsections (a)(i) and (a)(ii) under the heading “Special Facilities Payments; Other Rent and Charges—Special Facilities Payments While Bonds Outstanding” herein for the purpose of being applied to the payment of the Bonds and making required deposits to the Interest and Redemption Fund.

“Substantial Completion” or “Substantially Completed” means (i) with respect to Lessee Project Components, the date on which Lessee Project Components included within any Phase will be sufficiently completed to enable use and occupancy for their intended purpose, as evidenced by a certificate executed by an authorized Lessee representative, a licensed architect or another party approved by the Director and a Certificate of Occupancy issued by the City, (ii) with respect to the City Project Components, the date on which the City Project Components will be sufficiently completed to enable use and occupancy for their intended purpose, as evidenced by a certificate executed by the Director and a Certificate of Occupancy issued by the City, and (iii) with respect to the Terminal B Project, or any Phase thereof, the date on which both Lessee Project Components and the City Project Components (or, in the case of a Phase, Lessee Project Components and City Project Components within such Phase) are so certified to be sufficiently completed to enable use and occupancy for their intended purpose.

“Systems Costs” means the total of annual City Operation and Maintenance Expenses and annual City Amortization charges associated with each of the systems, facilities and improvements located on and serving the Airport, including but not limited to: (a) the access roads and other roadways serving the terminal complex; (b) the inter-terminal passenger transportation system; (c) the heating, ventilation, and air conditioning (HVAC) plant and related distribution systems; (d) the terminal building mechanical areas and systems; and (e) the incinerators / compactors.

“Terminal B” means those premises and improvements located at the portion of the Airport generally regarded as Terminal B, consistent with the Airport’s rate-making methodologies.

“Terminal B Apron Area” means Apron Area, including the Terminal B fueling facilities, serving the improvements generally known as Terminal B, which includes Terminal B North Concourse Apron and Terminal B South Concourse Apron, as more fully provided in the Program Definition Manual.

“Terminal B ATO” means those buildings, improvements, fixtures, equipment and related facilities as more fully described in an exhibit to the Lease and as more fully provided in the Program Definition Manual.

“Terminal B Baggage Claim Expansion” means the building, improvements, fixtures, equipment and related facilities as more fully described in an exhibit to the Lease and as more fully provided in the Program Definition Manual, which Terminal B Baggage Claim Expansion Lessee will have the right (but not the obligation) to construct as a part of a Phase.

“Terminal B Baggage System Enhancement” means those tenant improvements, fixtures, equipment and related facilities to accommodate the increased baggage handling and conveyance systems to serve the Terminal B North and South Concourses, as described in an exhibit to the Lease and more fully provided in the Program Definition Manual.

“Terminal B Capital Improvements” means those City Capital Improvements described in an exhibit to the Lease and any future City Capital Improvements made to the Existing Terminal B Improvements prior to the designation of that portion of the Existing Terminal B Improvements as part of a Phase.

“Terminal B North Concourse” or “Terminal B North Concourse Development Project” means those buildings, improvements, fixtures, equipment and related facilities more fully described in an exhibit to the Lease and includes the B-D Connector.

“Terminal B North Concourse Apron” means that portion of the Terminal B Apron Area consisting of the improvements, fixtures, equipment and related facilities more fully described in an exhibit to the Lease and more fully provided in the Program Definition Manual.

“Terminal B Project” means collectively Lessee Project Components and the City Project Components.

“Terminal B Rental Rate” has the meaning set forth in subsection (a) under the heading “Special Facilities Payments; Other Rent and Charges—City Charges” herein.

“Terminal B South Concourse” means those buildings, improvements, fixtures, equipment and related facilities as more fully described in an exhibit to the Lease and as more fully provided in the Program Definition Manual.

“Terminal B South Concourse Apron” means that portion of the Terminal B Apron Area consisting of the improvements, fixtures, equipment and related facilities more fully described in an exhibit to the Lease and more fully provided in the Program Definition Manual.

“Terminal C” means those premises and improvements located at the portion of the Airport generally regarded as Terminal C, consistent with the Airport’s rate-making methodologies.

“Terminal C Net Lease” means the Terminal C South Net Lease and Use Agreement effective as of April 10, 2015, by and between the City and Lessee, as amended and supplemented from time to time.

“Terminal D” means those premises and improvements located at the portion of the Airport generally regarded as Terminal D, consistent with the Airport’s rate-making methodologies.

“Terminal E Lease” means the Terminal E Lease and Special Facilities Lease Agreement, entered into by and between the City and Lessee as of August 1, 2001, as amended and supplemented, including by that certain Amendment No. 1 to Terminal E Lease and Special Facilities Lease Agreement, and as may be further amended or supplemented from time to time.

“Third Amendment Effective Date” means the date of delivery of the Series 2021B-1 Bonds.

“Transition Lease Terms” means those terms and provisions contained in an exhibit to the Lease which will apply to Lessee’s lease, use and occupancy, prior to their designation as part of a Phase as provided in the Lease, of the (i) Existing Terminal B Improvements and (ii) Letter Agreement Premises.

“Trust Indenture” means the Terminal Trust Indenture, as described in Appendix B of this Official Statement.

“United Funded Equipment” means certain equipment and improvements located within the Ground Lease Properties, as further described the Lease, which will be funded with money provided by Lessee and will not be financed with the proceeds of any Bonds. United Funded Equipment does not constitute Lessee Project Components.

“Use and Lease Agreement” means the Use and Lease Agreement effective as of January 1, 1998, between the City and Lessee with respect to Lessee’s use of the Airport and lease of space in Terminals B and C at the Airport, which (i) as to Terminal B, is superseded by the Lease and (ii) as to Terminal C, is superseded by the Terminal C Net Lease, which (unless extended) is scheduled to expire as of December 31, 2037. It is the intention of the parties that the term Use and Lease Agreement include any other successor use and lease agreement or other successor agreement, howsoever denominated, between Lessee and the City (including the Terminal C Net Lease), pursuant to which Lessee is granted the right to operate its commercial air transportation business on the Airport in consideration for its payment of landing fees and other amounts and its agreement to abide by certain rules and regulations regarding its operations at the Airport, and if no such agreement exists between Lessee and the City, subject to the provisions of the Lease set forth herein under “Miscellaneous – Most Favored Nation,” any such agreement between the City and any other carrier engaged in the air passenger transportation business at the Airport, and if none exists with any other carrier, then it means the ordinance or ordinances of the City regulating such matters and imposing such landing fees and other rates and charges.

## **Lease and Term**

### ***Lease***

Subject to the terms and conditions of the Lease, the City leases, lets and demises unto Lessee, and Lessee leases and rents from the City, the Special Facilities, together with the Ground Lease Properties, and the rights granted in the Lease with respect to the City Project Components and the Easements.

Subject to the terms and conditions of the Lease, the City further licenses to Lessee the EBS Temporary License Area for a term beginning on the Third Amendment Effective Date and expiring on the EBS Temporary License Expiration Date, in respect to the planning, design and construction of the EBS.

***Term of Lease; Options to Extend***

(a) The term of the Lease will commence (i) with respect to the Initial Phase and the Deferred Phases, on the Effective Date and (ii) with respect to the 2021 Lessee Project Components, on the Third Amendment Effective Date. The term of the Lease will continue, unless sooner terminated in accordance therewith, until the Expiration Date, subject to the following exceptions:

(i) Except with respect to the Terminal B North Concourse Development Project, with respect to any Deferred Phase (including related Existing Terminal B Improvements), the term of the Lease as to such Deferred Phase only will terminate on December 31, 2024 (i.e., the last day of the Primary Lease Term for such Deferred Phase) unless the term of the Lease with respect to such Deferred Phase is extended to a Full Lease Term in accordance with the provisions described under the heading “Special Provisions Regarding Terminal B Phasing and Transition and Prior Special Facilities Leases—Deferred Phases: Primary Lease Term and Full Lease Term” herein.

(ii) With respect to any Deferred Phase that is extended to a Full Lease Term in accordance with the provisions described under the heading “Special Provisions Regarding Terminal B Phasing and Transition and Prior Special Facilities Leases—Deferred Phases: Primary Lease Term and Full Lease Term” herein, if, at the time of such extension, the Expiration Date of the Lease is a date that is prior to the twenty-fifth (25th) anniversary of the date of Substantial Completion for such Deferred Phase, then the term of the Lease as to such Deferred Phase, subject to the issuance of a Favorable Opinion of Bond Counsel, will be automatically extended from the Expiration Date to the 25th anniversary of the date of Substantial Completion for such Deferred Phase.

(iii) Notwithstanding anything to the contrary under this subheading “—Term of Lease; Options to Extend,” the term of the Lease as to the Prior Special Facilities located at Terminal C will expire on December 31, 2027; provided, however, that the term of the Lease as to such Prior Special Facilities may be extended, subject to applicable federal tax laws and state laws and the issuance of a Favorable Opinion of Bond Counsel, under the terms of subsection (b) below as if such Prior Special Facilities were a Phase for which a Full Lease Term exists. The expiration of the term of the Lease as to such Prior Special Facilities will not impact Lessee’s obligation to make Special Facilities Payments as provided under the heading “Special Facilities Payments; Other Rent and Charges” below.

(iv) Except as otherwise provided in this paragraph (iv), with respect to the 2021 Lessee Project Components, the term of the Lease will continue until March 20, 2042; provided however that, (x) with respect to the EBS, the term of the Lease may be extended as described in subsection (b) below as if the EBS were a Deferred Phase for which a Full Lease Term exists, and (y) with respect to the 2021 Terminal C Baggage Handling System, the term of the Lease may not be extended. Notwithstanding the foregoing, if Lessee does not exercise its right to extend the term of the Terminal C Net Lease to a date on or after March 20, 2042, pursuant to the terms of the Terminal C Net Lease, the following provisions will apply:

(1) The term of the Lease with respect to the 2021 Terminal C Baggage Handling System will expire on December 31, 2037, coterminous with the expiration of the Terminal C Net Lease, if the City pays Lessee the unamortized value of the 2021 Terminal C Baggage Handling System for the period from January 1, 2038, through March 20, 2042 (as further provided in the Lease, the “Buyout Cost”).

(2) If the City does not pay Lessee the Buyout Cost on or before December 31, 2037, the term of the Lease with respect to the 2021 Terminal C Baggage Handling System will continue in full force and effect until the earlier of the date on which the City makes such payment to Lessee and March 20, 2042.

(v) Further, notwithstanding anything contained in the Lease to the contrary, in no event will the term of the Lease, as extended in accordance with the terms thereof, extend beyond November 17, 2051.

(b) Subject to the conditions set forth above in subparagraph (a) and below, Lessee will have the option (“Extension Option”) to extend the term of the Lease as to all Phases consisting of entirely real property (including improvements to the real property), including the Initial Phase and any Deferred Phase for which a Full Lease Term exists, for successive additional periods of no greater than five (5) years each (“Extension Terms”) (not to exceed in the aggregate the total period required to ensure that all Phases end concurrently with the conclusion of the Full Lease Term of the final Deferred Phase under the Lease) after the Expiration Date or the conclusion of the Full Lease Term, as applicable, upon giving at least one year’s prior written notice of such election and the period of such extension to the Director. For additional terms governing the operations of the parties in connection with Extension Terms, see the heading “Special Provisions Regarding Terminal B Phasing and Transition and Prior Special Facilities Leases—Failure to Convert Primary Lease Term to Full Lease Term” below. Lessee’s right to exercise each such Extension Option is subject to the following conditions during the period of such Extension Term with respect to the Lessee Project Components subject to such Extension Term:

(i) For such Lessee Project Components, Lessee will continue to pay applicable City Charges, but in lieu of the rentals payable as described under the heading “Special Facilities Payments; Other Rent and Charges—Special Facilities Payments While Bonds Outstanding” below, Lessee will pay an additional rental at the then-current market rate (which, to the greatest extent permitted by federal tax laws applicable to the Bonds, will be calculated on a basis consistent with the method used for calculation of charges to other carriers for comparable space at the Airport), for all usable space including public space and concession space (due consideration being given to the payments that the City will continue to receive from Lessee derived from concession revenues); and

(ii) Other than as provided, in subsection (b)(i) above, the terms and conditions applicable during the option period will be the same as provided in the Lease.

(c) The rent for each Extension Term will be determined as follows:

(i) The City will, within 60 days after receipt of Lessee’s notice exercising an Extension Option, deliver to Lessee the City’s calculation of the monthly rent based on the parameters set out in subsection (b)(i) above (the “City’s Rent Proposal”). Within 30 days after receipt of the City’s Rent Proposal, Lessee will give the City written notice that either (x) it concurs with the City’s Rent Proposal, in which event the City’s Rent Proposal will constitute the monthly rent for the applicable Extension Term or (y) it disagrees with the City’s Rent Proposal. Failure of Lessee to respond within such 30-day period will be deemed an acceptance of the City’s Rent Proposal.

(ii) If Lessee disagrees with the City’s Rent Proposal then the City and Lessee will for period of 30 days (the “Rental Negotiation Period”) attempt to agree upon a figure which will constitute the rent based on the parameters set out in subsection (b)(i) above. If the parties agree on such figure, the Director and Lessee will execute a written memorandum to such effect. If the parties have not executed such a memorandum within such Rental Negotiation Period, Lessee, in addition to all other rights and remedies available at law or in equity, may withdraw its election to exercise such Extension Option within 30 days after the expiration of the Rental Negotiation Period.

#### **Special Provisions Regarding Terminal B Phasing and Transition and Prior Special Facilities Leases**

The provisions of the Lease described under this heading apply only to the Initial Phase and the Deferred Phases and, accordingly, do not apply to the 2021 Lessee Project Components.

### ***Lessee's Terminal B Project To Be Accomplished in Phases***

It is the intention of Lessee and the City that Lessee will be permitted to accomplish Lessee's Terminal B Project in Phases, consisting of the Initial Phase and one or more Deferred Phases (which in the aggregate are intended to include all elements of the Ground Lease Properties, Easements and Lessee Project Components) all in substantial accordance with the Program Definition Manual. All elements of Lessee's Terminal B Project that are not included within the Initial Phase (including related Existing Terminal B Improvements) will initially be eligible for designation as part of a Deferred Phase. Notwithstanding anything contained in the Lease to the contrary, Lessee will have the right (but not the obligation), in its sole discretion, to designate and/or construct the Terminal B Baggage Claim Expansion as part of a Phase.

Lessee may designate one or more Deferred Phases by executing a supplement, which will also be executed by the Director (a "Deferred Phase Designation Supplement"), in which Lessee designates, among other things: (1) those portions of the Ground Lease Properties and Easements to be included within such Deferred Phase; (2) those Lessee Project Components expected to be included within such Deferred Phase; (3) the estimated dates for commencement and substantial completion of such Lessee Project Components; and (4) those City Project Components required to support Lessee Project Components in the Deferred Phase together with the dates upon which such City Project Components should be substantially completed for that purpose.

The Director will approve such Deferred Phase only if the Director determines that if no further Phases are undertaken, Lessee Project Components within the Deferred Phase proposed by Lessee would be commercially beneficial to Lessee, the City and potential third party lessees without any further improvements as contemplated in the remaining Phases.

### ***Deferred Phases: Primary Lease Term and Full Lease Term***

Except for the Terminal B North Concourse Development Project, each Deferred Phase will have a primary lease term ("Primary Lease Term") not to exceed December 31, 2024, unless extended by an amendment to the Lease approved by City Council. Such agreement to extend will consider the progress toward the issuance of Bonds for such Deferred Phase or interim financing obtained by Lessee pending the issuance of such Bonds and will require a Favorable Opinion of Bond Counsel. On or before the expiration of the Primary Lease Term, if Lessee will have either (a) caused the issuance of the Bonds to fund the Cost of Lessee Project Components proposed to be constructed as a part of such Deferred Phase or (b) provided written notice to the City that Lessee will proceed with such Deferred Phase whether or not Lessee has caused the issuance of the Bonds for such Deferred Phase, then the Primary Lease Term for such Deferred Phase will automatically convert to a "Full Lease Term," which will be equal to the full term of the Lease, including any applicable extension as described in subsection (a) under the heading "Lease and Term; Grant of Easements and Ground Leases; Exclusive and Preferential Use Space—Term of Lease; Options to Extend" above without the requirement of any additional writing or documentation of any kind.

### ***Failure to Convert Primary Lease Term to Full Lease Term***

In the event Lessee fails to convert any Deferred Phase from a Primary Lease Term to a Full Lease Term, the City's grant and conveyance in the Lease to Lessee of the Ground Lease Properties and Easements included within such Deferred Phase, together with Existing Terminal B Improvements located thereon and all appurtenant rights to City Project Components related to such Deferred Phase, will automatically terminate. In such event, notwithstanding anything in the Lease to the contrary, (i) the Lease will continue in full force and effect (and without any default under the Lease by the City or Lessee occasioned as a result of any such failure respecting such Deferred Phase), and Lessee and the City will continue to comply with the terms of the Lease as it pertains to all other Phases that have been converted from a Primary Lease Term to a Full Lease Term, and (ii) at the expiration of the Primary Lease Term for such Deferred Phase that was not converted from a Primary Lease Term to a Full Lease Term, but subject to the provisions in the following paragraph, Lessee will have no further interests in the designated Ground Lease Properties or Easements or Existing Terminal B Improvements or appurtenant City Project Components related to such Deferred Phase and the City will be free to grant or convey the same to others.

The City and Lessee acknowledge that Lessee intends to occupy and use the Terminal B Project and any Phases thereof as part of a comprehensive operation with passenger departure lounges and with ticket counters, offices,

and other support facilities that it would occupy and use at the Airport. The City and Lessee further acknowledge that the value of the leasehold interest in the Phases leased by Lessee under the Lease will be enhanced if Lessee also acquires under the Lease the right to continue to occupy and use such facilities in Terminal B at the Airport (and any associated Terminal B Apron Area) as are necessary for Lessee to continue to conduct its operations at (i) such Phase after Lessee's rights to lease any Deferred Phase under the Lease are terminated as a result of the failure of the Primary Lease Term with respect to such Deferred Phase to be converted to a Full Lease Term and (ii) any Deferred Phase the term of which is extended to a Full Lease Term and the term of the Lease as to such Deferred Phase is extended to a date that is later than the Expiration Date. Accordingly, the City agrees that, from and after the termination of the Lease as to any portion of any Phase or other portion of Terminal B and until the earlier of (i) the date on which Lessee and the City will have entered into a subsequent lease or other agreement providing for Lessee's occupancy and use of such facilities in Terminal B (and any associated Terminal B Apron Area) (the term of any such lease or other agreement will be such as to provide Lessee with the right to use and occupy such facilities until the end of the term of the Lease as to the associated Phase or Deferred Phase, as applicable), or (ii) the date on which the Lease otherwise terminates in its entirety, Lessee will be entitled to occupy or use as Ground Lease Properties under the Lease such facilities in Terminal B (including, without limitation, ticket counters, operational areas, and offices, but excluding gates, holdrooms and passenger departure lounges) and the associated Terminal B Apron Area as the Director, in consultation with Lessee, reasonably determines are necessary for Lessee to utilize fully the Special Facilities within any Phase (including any Deferred Phase) the term of which has been converted in accordance with the terms and provisions of the Lease to a Full Lease Term.

Lessee understands, acknowledges, and agrees that its right under the Lease does not apply to any particular facilities and that the City reserves the right and discretion as described below to fulfill its obligations under the Lease by designating the specific facilities for Lessee's use and occupancy. The terms on which Lessee will be entitled to such occupancy and use of the facilities inside Terminal B will be those agreed upon by Lessee and the City at the time, provided that, in the absence of such agreement, the terms (including any applicable Ground Rentals and City Charges) will be comparable to, in all material respects, and consistent with those which the City will have offered to any passenger airline for such occupancy and use of comparable facilities at the time, including, without limitation, terms that will not impose unreasonable costs upon Lessee to refit any such other facilities to make them comparable to facilities occupied and used by Lessee prior to the termination of the Deferred Phase; provided, Lessee will pay additional rent at the then-current market rate. The terms on which Lessee will be entitled to such use of the facilities in the Terminal B Apron Area will be those agreed upon by Lessee and the City at the time, provided that, in the absence of such agreement, the terms will be comparable to, in all material respects, and consistent with those which the City will have offered to any similarly situated passenger airline at the Airport for such use of the Terminal B Apron Area at the time.

#### ***Sublease of Deferred Phase to City***

Lessee agrees that if the term of the Lease as to any Deferred Phase is extended to a date that is later than the term of the Lease as to any other Phase (and the Lease terminates as to such other Phase), then Lessee and the City will work cooperatively to allow the City to sublease from Lessee any portions of the Deferred Phase that are reasonably determined by the City to be necessary for the City to be able to lease such other Phase or any portion thereof to other tenants. The Director and Lessee will conduct good faith negotiations to select the location of the space to be subleased. If after 60 days, no agreement has been reached, the Director will, to the extent reasonably practicable, select the space to be subleased in a manner designed to minimize the impact on Lessee associated with the sublease (i.e., considering both operational matters and costs that Lessee would incur in connection therewith).

In order to accomplish the sublease of space as hereinabove provided, Lessee agrees that it will sublease to the City such space (or an appropriate undivided interest or right of use therein) for the remaining term of the Lease for a rental equal to the sum of (i) an amount equal to the allocable unamortized share of the Bonds based on mortgage style straight-line amortization plus (ii) the allocable share of maintenance and operating expenses and (iii) the allocable share of Ground Rent less (iv) the allocable portion of Lessee's net concession revenues. The City will use its Best Efforts to continually require on Lessee's behalf that any occupant receiving such occupancy rights from the City be obligated to provide insurance and indemnification with respect to such Special Facilities for the benefit of the City and Lessee to the same extent that Lessee is obligated to do so in the Lease and provided further that Lessee will not be required to indemnify the City for acts of subtenants or their passengers in and about such Special Facilities. The foregoing sublease provisions will not relieve Lessee from any responsibility with respect to its obligations as



lessee under the Lease, including particularly its obligation to pay the full amount of Net Rent under the Lease and all of its other obligations with respect to the Bonds.

### ***Special Transition Lease Terms for Existing Terminal B Improvements***

In order to accomplish the total redevelopment of Terminal B as contemplated in the Lease, the parties desire that there be an orderly, phased process for the Existing Terminal B Improvements to continue to be leased to Lessee upon the terms of the Lease and the Transition Lease Terms pending their demolition, conversion or modification as provided in the Lease. Whenever Lessee designates Ground Lease Properties and Easements (including all Existing Terminal B Improvements thereon) as part of a Deferred Phase, it will also acknowledge and agree that at a date or dates agreed upon by Lessee and the Director such properties (and their corresponding Existing Terminal B Improvements) will cease to be subject to the Transition Lease Terms (such as, by way of example, but not limitation, payment of rent and other charges, City responsibility for operation and maintenance of public space and City control of concessions) and instead be governed by the provisions of the Lease without regard to the Transition Lease Terms.

### ***Prior Special Facilities and Prior Special Facilities Bonds***

Lessee and the City recognize that, pursuant to Prior Special Facilities Leases and Prior Special Facilities Bonds, certain obligations exist with respect to certain Prior Special Facilities located within the Existing Terminal B Improvements, which will be demolished and/or reconstructed pursuant to the Agreement, and also in Terminal C and Terminal D. The Prior Special Facilities Bonds issued to finance such Prior Special Facilities are secured by Lessee's obligation to make payments, which has been restated and incorporated in Lessee's obligation to make Special Facilities Payments as provided under the heading "Special Facilities Payments; Other Rent and Charges" below, and also by an undertaking of the City to relet the Prior Special Facilities in the event of a default by Lessee as is provided in the Trust Indenture. To accommodate the proposed redevelopment of Terminal B, the parties desire that any Prior Special Facilities located in Existing Terminal B Improvements or on any Ground Lease Properties or Easements will become part of the Cost of Lessee Project Components constructed on such Ground Lease Property or Easement.

## **Issuance of Bonds; Payment of Costs of Lessee Project Components**

### ***Issuance of Additional Bonds***

The City, at the direction of Lessee, must diligently use its Best Efforts to issue, sell and deliver Additional Bonds in amounts sufficient to pay (i) any part of the Costs of Lessee Project Components for Deferred Phase of the Terminal B Project or otherwise not fully funded or provided for out of the proceeds of the Series 2011 Bonds, or (ii) the Costs of the Special Facilities for any additional Special Facilities approved as provided in the Lease. The City agrees to use its Best Efforts to issue any Additional Bonds required under clause (i) above, and the Director will cooperate in a reasonable manner with Lessee to request the City to issue Additional Bonds under clause (ii) above; however, no representation is made or assurance given or implied by the City that it will be able to sell, issue and deliver Additional Bonds on terms and conditions satisfactory to Lessee or that it will agree to issue Additional Bonds for any other purpose than as set forth above.

Moreover, the issuance of Additional Bonds is made subject to the same conditions enumerated under the Lease concerning the issuance of Series 2011 Bonds, including that the City will have no obligation to sell, issue or deliver Additional Bonds if (i) there exists an Event of Default under the Lease by Lessee, or (ii) the Guaranty Agreement has not been executed and delivered to the Trustee, and the additional condition that, if deemed necessary by the City, there will have been executed a supplement to the Lease to provide for the manner of construction, acquisition and payment for any additional Special Facilities to be financed with such Additional Bonds and to provide for any other matters reasonably deemed necessary by the City in connection with such financing. All Additional Bonds will be secured and payable as provided in the Trust Indenture.

Upon the issuance of any Additional Bonds, the Special Facilities Payments payable under the Lease will automatically be increased in the amounts required to provide for the full and timely payment of all principal, interest, redemption premiums, Trustee charges and other related costs and expenses on all Bonds then outstanding, including the Additional Bonds to be issued. However, the City will not authorize the issuance of Additional Bonds until the

terms thereof and of the supplement to the Trust Indenture relating thereto have been approved in writing by Lessee, which written approval will be conclusively binding upon Lessee.

#### ***Application of Proceeds; Insufficiencies***

(a) Subject to the other terms and provisions of the Lease and the terms and provisions of the Trust Indenture, the City agrees to apply the proceeds of any Additional Bonds to pay, but only to the extent of such proceeds, the costs of the Special Facilities financed therewith. After all Costs of Lessee Project Components have been funded or provided for, any remaining surplus proceeds of the Bonds may be used to pay for any costs of such other Special Facilities related to Lessee Project Components of the Terminal B Project as may be made subject to the Lease by the City and Lessee upon such terms as they may mutually determine (subject to applicable federal tax law), or deposited into the Interest and Redemption Fund as provided in the Trust Indenture as provided in subsection (b) below.

(b) Subject to federal tax law limitations, proceeds of such Additional Bonds and deposits, if any, will be applied first to make any deposits required by the Trust Indenture authorizing the issuance of such Bonds, second to pay all costs of the Special Facilities incurred on behalf of the City, including the cost of issuance of such Bonds, and last to pay any costs of the Special Facilities. Any proceeds of the Bonds remaining after paying all costs of the Special Facilities will be deposited into the Interest and Redemption Fund as provided under the Trust Indenture; provided, however, any such deposit into the Interest and Redemption Fund will require a Favorable Opinion of Bond Counsel.

(c) In the event proceeds of such Bonds and deposits, if any, are insufficient to pay all Costs of Lessee Project Components for any Phase that has been commenced and in respect of which such Phase has had the Primary Lease Term extended for the Full Lease Term applicable thereto, Lessee will be obligated to deposit into the applicable fund under the Trust Indenture or otherwise pay, from its own resources, such amounts as will be required to cover such insufficiency. Lessee may request the City to undertake to issue Additional Bonds to finance Lessee Project Components for any Phase that has been commenced and in respect of which such Phase has had the Primary Lease Term extended for the Full Lease Term applicable thereto. The Director will use Best Efforts to cooperate with Lessee to request the City to provide such financing, and if consummated, then the Lease will be supplemented to provide for payment of the Costs of Lessee Project Components and any other matters deemed appropriate by the City and Lessee. The Lease imposes no obligation of any kind upon the City to issue or undertake to issue any Additional Bonds to finance Lessee Project Components for any Phase that has been commenced and in respect of which such Phase has had the Primary Lease Term extended for the Full Lease Term applicable thereto except for the Best Efforts obligations described under the subheading “—Issuance of Additional Bonds” above.

(d) In the event proceeds of the Series 2021B-1 Bonds, the proceeds of any Additional Bonds, and deposits, if any, are insufficient to pay all Costs of the Lessee Project Components relating to the 2021 Lessee Project Components, Lessee will be obligated to deposit into the applicable fund under the Trust Indenture or otherwise pay, from its own resources, such amounts as will be required to cover such insufficiency.

#### ***Refunding Bonds***

Lessee reserves the right to request the City from time to time to issue Refunding Bonds in any manner permitted by law for the purpose of refunding any of the Bonds from time to time outstanding. Although no representation is made or assurance given or implied by the City that it will agree to issue such Refunding Bonds or that it will be able to sell, issue and deliver such Refunding Bonds on terms and conditions satisfactory to Lessee, the City agrees to use its Best Efforts to issue Refunding Bonds at Lessee’s request provided they have a similar maturity schedule, similar redemption features and the same or enhanced security, all as more fully described under the heading “Issuance of Bonds; Payment of Costs of Lessee Project Components” herein.

All Refunding Bonds will be secured and payable as provided in the Trust Indenture, and the Special Facilities Payments payable under the Lease will automatically be adjusted to provide for the full and timely payment of all principal, interest, redemption premiums, Trustee charges and other related costs and expenses on all Bonds to be outstanding following the issuance of the Refunding Bonds.

Notwithstanding the foregoing, the City will not authorize the sale of any Refunding Bonds or authorize any supplement to the Trust Indenture for such purpose until the terms of such Refunding Bonds and the supplement to the Trust Indenture are approved in writing by Lessee, and it is provided further that the City's receipt of such approval will be conclusively binding upon Lessee. Further, the City will have no obligation to sell, issue, or deliver the Refunding Bonds if (i) there exists an Event of Default under the Lease by Lessee, or (ii) if applicable, the Guaranty Agreement has not been executed and delivered to the Trustee.

### ***Optional Redemption of Bonds***

The City agrees that at the written request of Lessee, the City will exercise any reserved right of optional redemption for any of the Bonds, provided that Lessee makes such request in sufficient time as specifically set forth in the Trust Indenture to permit the City to give any notice required by the Trust Indenture and provided further that Lessee gives the City adequate assurances (i) that it will pay all additional Special Facilities Payments required to provide for the payment of the applicable redemption price for such Bonds, together with any related costs and expenses in connection with such redemption, or (ii) that Refunding Bonds will be issued to finance all such costs and expenses or (iii) any combination thereof.

### ***Terms of Bonds***

Each series of Bonds (other than the Prior Special Facilities Bonds and any bonds issued to refund the Prior Special Facilities Bonds) will mature not later than 25 years from the estimated Substantial Completion of the Special Facilities being financed or refinanced. Principal payments for each series may be deferred until the 10th year prior to final scheduled maturity and will be scheduled to amortize so as to provide approximately level debt service (principal and interest) during such period. Bonds (other than the Prior Special Facilities Bonds and any bonds issued to refund the Prior Special Facilities Bonds) will be subject to optional redemption within 10 years of issuance and subject to optional redemption at par within 12 years of issuance.

### ***Conditions for Installments of Bonds***

Prior to the issuance of any installment of Bonds for a Phase of the Terminal B Project, the City and its financial advisor must be reasonably satisfied that the installment to be issued is reasonably sized to finance the complete cost of Lessee Project Components in that Phase. Unless such financing is for the final Phase, Lessee will acknowledge in writing the risk that market conditions may change with respect to the issuance of any remaining Bonds to fund remaining Phases.

### **Special Facilities Payments; Other Rent and Charges**

#### ***Special Facilities Payments While Bonds Outstanding***

(a) Lessee will pay to the City, by depositing directly with the Trustee for the account of the Interest and Redemption Fund, for so long as any Bonds remain Outstanding within the meaning of the Trust Indenture, the following rental payments at the following times:

(i) on or before each interest and/or principal payment date on the Bonds:

(A) all interest payable on all Bonds on such date; plus

(B) all principal (if any) payable on all Bonds on such date, whether payable at maturity or earlier redemption (regardless of whether such redemption is optional, extraordinary or mandatory); plus

(C) all redemption premiums (if any) payable on all Bonds on such date; and

(ii) immediately upon receipt of written notice from the Trustee for the Bonds advising it that such amounts are due and payable: all unpaid principal, accrued interest and redemption premiums on all

Bonds which are declared due and payable under any extraordinary redemption or acceleration provision in the Trust Indenture.

(iii) In addition to the above described Special Facilities Payments, there will be paid as additional rent (x) directly to the Trustee, all Trustee charges and any other related costs and expenses in connection with the payment of principal, interest or redemption premiums on the Bonds in accordance with the Trust Indenture, (y) directly to the Trustee at such times and in such amounts, together with amounts available therefor under the Trust Indenture, so as to ensure compliance with the provisions of section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and (z) directly to any bond insurer or other credit enhancer or provider of a reserve fund surety, all fees, charges, reimbursements, expenses and interest charges due in connection therewith.

(b) The Special Facilities Payments payable under subsection (a) above will be reduced by the total of any amounts then on deposit in the Interest and Redemption Fund in excess of the amount then needed for the purpose of paying previously matured interest, principal, matured or redeemed Bonds, and redemption premiums, if any, whether such excess amounts become available by reason of (i) amounts deposited in the Interest and Redemption Fund from the proceeds of the Bonds for the purpose of providing capitalized interest or otherwise, (ii) previous overpayments of Special Facilities Payments, (iii) surplus funds from proceeds of the Bonds deposited to the credit of such Interest and Redemption Fund at the end of the construction and acquisition of all Lessee Project Components as described under the heading “Issuance of Bonds; Payment of Costs of Lessee Project Components—Application of Proceeds; Insufficiencies” above, (iv) interest earnings from the investment or deposit of any amounts from time to time credited to the Interest and Redemption Fund as provided in the Trust Indenture, or (v) any other circumstance which results in funds being properly deposited in the Interest and Redemption Fund or in any other fund or account held by the Trustee under the Trust Indenture that are available for such purpose. The reductions in the Special Facilities Payments contemplated by this subsection (b) will be made by applying such excess amounts as a credit(s) against the next Special Facilities Payments payment(s) due after such excess amounts have actually become available in the Interest and Redemption Fund, until such excess amounts are exhausted. The Trust Indenture will require the Trustee to calculate such reductions and furnish them to Lessee and the City in a timely manner prior to the date on which the applicable Special Facilities Payment is payable. In the event the Trustee fails to furnish the amount of any such reduction, it will not in any way affect or reduce the obligation to pay as Special Facilities Payments the full amount provided in subsection (a) above. After all Special Facilities Payments have been paid, no Bonds remain Outstanding within the meaning of the Trust Indenture and no amounts remain due and owing under the Trust Indenture, then any amounts remaining in the Interest and Redemption Fund which are paid over to the City by the Trustee will be deemed overpayments of Special Facilities Payments and paid over by the City to Lessee within 30 days of their receipt by the City.

#### ***Obligation to Pay Special Facilities Payments Unconditional***

The Bonds will be sold to the purchasers thereof in reliance upon the commitment to make the payments of Special Facilities Payments provided in subsection (a) under the subheading “—Special Facilities Payments While Bonds Outstanding” above and elsewhere as provided in the Lease, subject only to the reductions provided under subsection (b) under such subheading. Accordingly, subject to the above-referenced limitations, the obligation to make the payments of Special Facilities Payments thus required will be absolute and unconditional and so long as the Bonds remain Outstanding within the meaning of the Trust Indenture, (i) there will be no suspension or discontinuance of any payments of Special Facilities Payments provided in the Lease or any offset against obligations to pay such amounts or recoupment of any amounts so paid, and (ii) there will be no termination of the Lease or other effort to seek to avoid or to reduce the payment of Special Facilities Payments for any reason, including without limiting the generality of the foregoing, termination of another lease agreement, failure to complete Lessee Project Components, voluntary or involuntary bankruptcy of the City, any Event of Default under the Lease, failure to complete the construction or acquisition of any other Special Facilities, failure of the City to pay or cause to be paid any Costs of the Special Facilities (but without limiting the City’s obligations described under the heading “Issuance of Bonds; Payment of Costs of Lessee Project Components—Application of Proceeds; Insufficiencies” above) or any acts or circumstances that may constitute failure of consideration, destruction or damage to or condemnation of such facilities, or frustration of purpose, any change in the tax or other laws of the United States of America or the State of Texas, or any political subdivision of either thereof or any failure of the City to perform or observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with the Lease. It is provided,

however, that nothing contained in this section will be construed to release the City from the performance of any of the agreements on its part contained in the Lease, and in the event the City should fail to perform such agreement, Lessee may, without limitation of any other rights that Lessee may then have, institute such actions against the City as it may deem necessary to compel the performance thereon, to seek damages or other relief or to restrain or enjoin forbidden acts provided that such institution of such actions will not result in a reduction of the payment of Special Facilities Payments under the Lease.

### ***Pledge of Special Facilities Payments***

The Special Facilities Payments payable under the Lease will be pledged to the payment of the Bonds and amounts due under the Trust Indenture in accordance with the Trust Indenture, and, so long as any Bonds remain Outstanding, such Special Facilities Payments will be paid in the amounts and manner specified in the Lease. In the Trust Indenture the City will covenant not to permit any modification of or amendment to the provisions of the Lease described under the subheading “—Special Facilities Payments While Bonds Outstanding” above or to any other provision of the Lease that would have the effect of reducing, altering or modifying the obligations to pay Special Facilities Payments contained in the Lease or would materially minimize, reduce or lessen the rights of the City after an Event of Default in the payment of Special Facilities Payments or would materially and adversely affect the security provided for the payment of the Bonds, and no such modification or amendment to the Lease will be permitted while the Bonds remain Outstanding.

### ***Operation and Maintenance and City Charges Relating to Lessee Project Components and Other Special Facilities***

The Special Facilities Payments, which are pledged to the payment of the Bonds under the Trust Indenture, are intended to be a net return to the City. Accordingly, in addition to the payment of all Special Facilities Payments under the Lease, except as expressly provided in the Lease, Lessee will pay all of the following additional amounts with respect to the Terminal B Project: (i) all operation and maintenance costs and expenses applicable to Lessee Project Components and other Special Facilities, including, without limitation, utility costs, any insurance premiums applicable thereto, any and all ad valorem or other property taxes lawfully levied or assessed against Lessee Project Components and other Special Facilities or Lessee’s leasehold estate therein, any and all lawful excise and other types of taxes imposed on or in respect of such properties, the necessary expenses of upkeep thereof of every kind and character, including the repair or ordinary restoration thereof, and every other item of expense imposed on Lessee pursuant to the Lease to the extent that payment of operation and maintenance costs are required and (ii) all water, sewage, drainage, electricity, gas and other utility charges which may be charged to Lessee for the use thereof.

### ***Ground Rentals***

(a) The following provisions apply with respect to Lessee’s payment to the City of Ground Rentals under the Lease:

(i) Lessee will pay to the City as Ground Rentals for each of the Ground Lease Properties located at Terminal B and the 2021 Terminal C Baggage Handling System, subject to the special provisions set forth below, rental rates per square foot at the Ground Rental Rate, commencing on the date of Substantial Completion of each component applicable to each such Ground Lease Properties. The Ground Rental Rate with respect to (i) the Initial Phase will escalate on the next date of escalation, after the date of Substantial Completion of the Initial Phase, as provided in the Terminal E Lease, and, thereafter, will escalate by 15% every fifth year from the last date of escalation, and (ii) any Deferred Phase and the 2021 Terminal C Baggage Handling System will escalate as and with the Ground Rental Rate for the Initial Phase, such that the Ground Rental Rate for the Initial Phase, any Deferred Phase and the 2021 Terminal C Baggage Handling System is the same. Notwithstanding the foregoing, Lessee is not obligated to pay Ground Rentals pursuant to the Lease for any Ground Lease Properties located outside Terminal B that are or will be included in rates and charges under the applicable use and lease agreement and the International Facilities Agreement, as applicable, including such portions of the Ground Lease Properties related to the 2021 Terminal C Baggage Handling System for which Lessee is obligated to pay rates and charges under the Terminal C Net Lease.

(ii) Beginning on the Third Amendment Effective Date, Lessee will pay to the City as Ground Rentals for the EBS Temporary License Area and the EBS Air Space the EBS Rental Rate. After Substantial Completion of the EBS, Lessee will pay to the City as Ground Rentals for the EBS Lease Property the EBS Rental Rate. The EBS Rental Rate will escalate 15% on the fifth anniversary of the Third Amendment Effective Date, and, thereafter, will escalate by 15% every fifth year.

(b) Notwithstanding the foregoing, the Ground Rental Rate will be reduced pro rata, based on square footage, for any Ground Lease Property that includes any part of the existing Terminal B parking structure where HAS currently operates parking above the Terminal B ATO.

(c) Notwithstanding the foregoing or anything contained in the Lease to the contrary, Lessee will have no obligation to pay Ground Rentals for the portion of a Ground Lease Property that comprises an area in the footprint of another Ground Lease Property for which Lessee is paying Ground Rentals.

### ***City Charges***

The following provisions will apply with respect to the various elements of City Charges payable with respect to the Terminal B Project based upon normal Airport-wide cost allocation methodology consistently applied on a Fiscal Year basis:

(a) City Charges Allocable to Terminal B: Following Substantial Completion of each Phase or Segment thereof of the Terminal B Project, Lessee will pay the City monthly amounts sufficient to reimburse the City for ("Terminal B Rental Rate"):

(i) Direct and indirect City Operation and Maintenance Expenses allocable to such Phase or Segment of the Terminal B Project (other than the Terminal B Apron Area); provided that the only direct City Operation and Maintenance Expenses allocable to any Lessee Project Components will be those City Operation and Maintenance Expenses, if any, as are incurred by the City for the benefit of such Lessee Project Components, such as, without limitation, any security personnel assigned thereto.

(ii) City Amortization of the unamortized net costs of each direct and indirect City Capital Improvement allocable to such Phase or Segment as of June 30, 1998, over the remaining useful life of the City Capital Improvement at the weighted cost of capital for the City, as provided in the Lease, for all City Capital Improvements at the Airport as of that date.

(iii) City Amortization of the net cost of each direct and indirect City Capital Improvement placed in service on or after July 1, 1998, which is allocable to such Phase or Segment of the Terminal B Project (other than the Terminal B Apron Area).

(iv) Interest on the cost of land allocable to such Phase or Segment of the Terminal B Project computed at City's historical average cost of capital, as provided in the Lease.

(v) Annual Systems Costs allocable to such Phase or Segment of the Terminal B Project.

(vi) Annual replenishment of certain funds allocable to such Phase or Segment of the Terminal B Project (other than the Terminal B Apron Area), if necessary, as required by the City's ordinances authorizing its Airport System revenue bonds.

(vii) The reallocation of the direct and indirect cost of the space utilized within the terminal complex by HAS and designated as "HAS Admin" space on all applicable space exhibits, which description as "HAS Admin" space may be modified from time to time at the Director's sole discretion to reflect the actual use of such space. Said reallocation will be based upon each individual cost center's direct expenses as a percentage of the Airport's total direct expenses.

(b) Notwithstanding anything in this section to the contrary, Lessee will pay to the City under the Lease as to the Existing Terminal B Improvements only monthly City Amortization of the net costs of each Terminal B Capital Improvement until the date the costs of such Terminal B Capital Improvements have been fully amortized, calculated in accordance with the terms of the Lease.

(c) Terminal B Apron Area Charges. Following Substantial Completion of each Phase or Segment thereof of the Terminal B Project, Lessee will pay the City monthly amounts sufficient to reimburse the City for:

(i) Direct and indirect City Operation and Maintenance Expenses allocable to the Terminal B Apron Area allocable to such Phase or Segment.

(ii) City Amortization of the unamortized net cost of each City Capital Improvement allocable to the Terminal B Apron Area allocable to such Phase or Segment as of June 30, 1998, over the remaining useful life of the City Capital Improvement at the weighted cost of capital, as provided in the Lease, for all City Capital Improvements at the Airport as of that date.

(iii) City Amortization of the net cost of each City Capital Improvement placed in service allocable to the Terminal B Apron Area allocable to such Phase or Segment on or after July 1, 1998.

(iv) Interest on the cost of land allocable to the Terminal B Apron Area allocable to such Phase or Segment computed at the historical average of the City's cost of capital, as provided in the Lease.

(v) Annual Systems Costs allocable to the Terminal B Apron Area allocable to such Phase or Segment.

(vi) Annual replenishment of the certain funds allocable to the Terminal B Apron Area allocable to such Phase or Segment, if necessary, as required by the City's ordinances authorizing its Airport System revenue bonds.

(vii) The reallocation of the direct and indirect cost of the space utilized within the terminal complex by HAS and designated as "HAS Admin" space on all applicable space exhibits, which description as "HAS Admin" space may be modified from time to time at the Director's sole discretion to reflect the actual use of such space. Said reallocation will be based upon each individual cost center's direct expenses as a percentage of the Airport's total direct expenses.

The annual Terminal B Apron Area Charges will then be calculated by dividing all of the foregoing costs allocable to the Terminal B Apron Area by the total square footage of pavement designated as the Terminal B Apron Area and multiplied by the total square footage of such pavement for which Lessee has preferential use rights.

The total annual costs of the APM will be calculated by adding together the following amounts:

1. The annual direct and allocated indirect Operation and Maintenance Expenses associated with and allocable to the APM.

2. The City Amortization of the net cost of each City Capital Improvement associated with the APM; provided, however, that all current capital costs associated with the current (B-C-ITC) APM and the costs of the extension of the APM to Terminal A and the APM maintenance facility (with the exception of capital costs allocable to the construction of the maintenance facility) will be paid from Passenger Facility Charges, as approved through Passenger Facility Charge application(s), and only capital costs associated with the APM incurred subsequent to the completion of the APM extension to Terminal A, if any, will be recoverable from future APM charges.

3. The annual indirect amortization charges allocable to the APM.

4. The reallocation of the direct and indirect cost of the space utilized within the terminal complex by HAS and designated as "HAS Admin" space on all applicable space exhibits, which description as "HAS Admin" space may be modified from time to time at the Director's sole discretion to reflect the actual use of such space. Said reallocation will be based upon each individual cost center's direct expenses as a percentage of the Airport's total direct expenses.

The total annual costs of the APM will then be divided by the total number of annual enplaned passengers using terminals served by the APM to derive the annual APM Charge Rate per enplaned passenger.

(d) Second FIS Diversion Charges. Upon Substantial Completion of the Second FIS, if the number of arriving international passengers processed through the Central FIS in any full Fiscal Year is less than the Guaranteed Minimum Traffic Level, Lessee will be subject to a diversion charge intended to reimburse the City for certain lost service charges at the Central FIS as a result of passenger diversions from the Central FIS to the Second FIS, and which diversion charge will be equal to the Guaranteed Minimum Traffic Level Shortfall. Said diversion charge will be calculated as part of the City's annual Fiscal Year rates and charges reconciliation. For partial years, such charge will be computed on a pro-rata basis. If the reconciled cost per passenger for the Central FIS is less than the estimated diversion charges paid during the applicable Fiscal Year by Lessee, then Lessee will be entitled to reimbursement to the extent of any overpayment of the diversion charges. The City agrees that it will work with Lessee to revise the methodology for computing rates and charges to be paid for any Fiscal Year by all airlines for use of the Central FIS pursuant to the International Facilities Agreement so as to give appropriate credit for any such diversion charge reasonably expected to be paid by Lessee under the Lease in such Fiscal Year.

(e) Other Charges. Following the date of Substantial Completion as to any Phase, the City reserves the right to assess, and Lessee agrees to pay, reasonable charges for, as to that Phase, the use of City-provided facilities that benefit such Phase, including but not limited to: employee parking facilities; flight information display systems; public address systems; and issuance of security identification badges.

### ***Landing Fees***

Lessee agrees to pay the City monthly landing fees on Lessee's total aircraft landed weight (without duplication of payment of landing fees by Lessee to the City as required by other agreements between the City and Lessee), which will be calculated according to a formula set forth in the Lease.

### ***Payment Provisions***

In the event Lessee, at any time during the term of the Lease, fails to make any of the payments required as described under the heading "Special Facilities Payments; Other Rent and Charges" when due (beyond all applicable notice and opportunity to cure periods), the City reserves the continuing right to require a security deposit in an amount equal to six times Lessee's average monthly amount of rentals and fees payable under the Lease (but not including any Special Facilities Payments and, in the case of landing fees payable by Lessee to the City for use of the Airport, prorated as determined by the Director in her or his reasonable discretion), during the immediately preceding six-month period. Such security deposit will be provided to the City by Lessee, as a letter of credit or in such other form specified by the Director, within 30 days of written demand therefor by the City and will be held by the City until Lessee has made timely payment of all rentals and fees payable under the Lease for a period of 12 consecutive months at which time such security deposit will be returned to Lessee.

### ***Rate Adjustments and Year-End Adjustment to Actual***

In the event that, at any time during a Fiscal Year, the total costs of the City allocable to Terminal B, or the Terminal B Apron Area, or the airfield area, or the APM, or the aggregate total landed weight of all airlines, is projected by the City to vary 10% or more from the estimates used in setting City Charges or landing fees, such rates and charges may be adjusted either up or down for the balance of such Fiscal Year, provided that such adjustment is deemed necessary by the City, and as further provided in the Lease.



Within 60 days after the release of the audited financial statements of the Airport System in the City's Combined Annual Financial Report, the City will furnish Lessee with an accounting of the costs and expenses actually incurred, revenues and other credits actually realized (reconciled to the audited financial statements of the Airport System), and actual enplaned passengers and landed weights during such Fiscal Year with respect to each of the components of the calculation of the Terminal B Rental Rates, Terminal B Apron Area Charges, APM charges and the Landing Fee rate and will recalculate the rates, fees, and charges required for the Fiscal Year based on those actual costs and revenues.

### ***Security Fees***

Lessee will pay the City monthly amounts sufficient to reimburse the City for Lessee's appropriate share of the City's direct and indirect costs of providing (1) law enforcement personnel to support the security programs at the Airport and (2) any other security measures at the Airport.

### ***Utilities***

Following commencement of construction of a Phase on a portion of the Ground Lease Properties and with respect to such portion of the Ground Lease Properties and with respect to the Lessee Project Components and the Lessee-installed equipment, machinery and facilities thereon, Lessee agrees to pay all water, sewage, drainage, electricity, gas and other utility charges which may be charged to Lessee for the use thereof, if such charges are separately assessed or metered as appropriate to Lessee.

### **City's Right to Review Space Utilization in Terminal B North Concourse and Take Back Space; Sublease of Certain Special Facilities to City**

(a) Beginning at the end of the sixtieth (60th) month following Substantial Completion of the Terminal B North Concourse and continuing until the end of the term of the Lease, the City may evaluate Lessee's utilization of the gates in Terminal B North Concourse in terms of average number of daily flights per gate for the immediately preceding 12-month period (referred to hereafter as the "Test Period"). If during the Test Period, Lessee's average gate utilization in the Terminal B North Concourse is less than four flights per day (determined as provided below), then the Director may, at her or his option and in order to accommodate the needs of other airline users of the Airport, require Lessee to relinquish (as herein below provided) (1) a proportionate number of gates in Terminal B North Concourse such that, on a pro-forma basis, excluding such relinquished gates, the remaining gates would have demonstrated an average utilization of at least 4 flights per day during the Test Period and (2) a substantially identical proportionate amount of holdroom space and (3) an amount of operations, ticket counter, ATO, baggage make-up, and baggage claim space and circulation space proportionate to all gates in Terminal B North Concourse.

(b) Gate utilization will be determined by taking the total number of scheduled flights at the Terminal B North Concourse during the Test Period by Lessee, its Affiliates and its other authorized users and dividing such total by the product of total number of available gates in Terminal B North Concourse times 365 or 366 days as determined by the actual number of days in the applicable calendar year, subject to the limitation that Lessee will not be credited with gate utilization in Terminal B North Concourse that exceeds its gate utilization in Terminal C by more than 100%, based on the same methodology except that aircraft with 50 or fewer passenger seats will count as one-half flight in calculating utilization in Terminal C.

(c) In the event the Director requires Lessee to relinquish such space and gates, the Director and Lessee will confer to determine which gates and space will be relinquished. Lessee will be required to relinquish contiguous gates, holdrooms and other exclusive leased space. The Director and Lessee will conduct good faith negotiations in accordance with the foregoing to select the location of the space and gates to be relinquished. If after sixty days of good faith negotiations no agreement has been reached, the Director will select the gates and space to be relinquished. Lessee will continue to have the nonexclusive right to use the holdrooms and gates it relinquishes as a result of this provision at rates established by the Director for such use.

(d) In order to accomplish the relinquishment of gates and support space in Terminal B North Concourse as hereinabove provided, Lessee agrees that it will sublease to the City such Special Facilities as may be located in or

as may be necessary to support such relinquished gates and space (or an appropriate undivided interest or right of use therein) for the remaining term of the Lease (subject to Lessee's right to reinstate its lease of such relinquished gates and space as provided below) for a rental equal to the sum of (i) an amount equal to the allocable unamortized share of the cost of components based on mortgage style straight-line amortization plus (ii) the allocable share of maintenance and operating expenses, plus (iii) the allocable share of Ground Rent less (iv) the allocable portion of Lessee's net concession revenues, as further provided in the Lease. The foregoing sublease provisions will not relieve Lessee from any responsibility with respect to its obligations as Lessee under the Lease, including particularly its obligation to pay the full amount of Net Rent under the Lease and all of its other obligations with respect to the Bonds; provided, however, that such sublease to the City will provide that the City will use its best efforts to continually require on Lessee's behalf that any occupant receiving such occupancy rights from the City be obligated to provide insurance and indemnification with respect to such Special Facilities for the benefit of the City and Lessee to the same extent that Lessee is obligated to do so in the Lease and provided further that Lessee will not be required to indemnify the City for acts of subtenants or their passengers in and about such Special Facilities.

(e) Lessee will have the right (upon 90 days' notice) to take back any relinquished gates and associated support space if (i) it can show that it would meet the minimum utilization standard including those gates and (ii) any carrier or other third party subleasing such space from the City can be relocated to functionally equivalent space at the Airport as determined by the Director in her or his reasonable discretion. In the event Lessee exercises such right, the City will use all reasonable efforts (x) to relocate any such air carrier or third party so the space is available to Lessee and (y) to cause such space to be restored to its condition prior to its sublease (subject to reasonable wear and tear) and commence such restoration within the 90 days.

#### **Lessee's Obligations and Conditions to Lessee's Use of Special Facilities and City's Obligations**

##### ***Maintenance of Special Facilities and Terminal B Apron Areas at Lessee's Expense***

Subject to the other terms of the Lease, Lessee will throughout the term of the Lease assume the entire responsibility, cost and expense for the operation and all repair and maintenance whatsoever of the Special Facilities (unless reserved by HAS as its responsibility), whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Additionally, without limiting the generality of the foregoing, Lessee will:

(a) Maintain at all times the Special Facilities in a good state of repair and preservation, excepting ordinary wear and tear and obsolescence in spite of repair.

(b) Replace or substitute any furnishings, fixtures and equipment constituting a part of the Special Facilities which are reasonably considered by the Director to have become inadequate, worn out or unsuitable with furnishings, fixtures and equipment having a value at least as great as the original value of the furnishings, fixtures and equipment replaced or substituted; provided, however, that unencumbered title (free of all liens) to all replacement or substitute furnishings, fixtures and equipment, unless removable by Lessee, automatically will vest in the City in accordance with the provisions of the Lease.

(c) Keep at all times, in a clean and orderly condition and appearance, the Special Facilities which are open to or visible by the general public.

(d) Lessee will perform or cause to be performed such cleaning of the Terminal B apron areas as will be necessary to keep them in a clean, neat and orderly condition free of foreign objects and will periodically on an as-needed basis remove grease, oil and fuel spills caused by Lessee with ramp scrubbing equipment and repair any foreign object damage. Lessee will also perform striping of aircraft gating positions (excluding vehicle service roads), as necessary.

(e) Lessee will maintain air handlers on the parking decks above Terminal B.

(f) Lessee will maintain life safety systems, conduct inspections and ensure that its monitoring systems are compatible with the City's monitoring systems. The City will have the right to conduct full audits and inspections of Lessee's maintenance of the life safety systems.

### ***Maintenance of Project Components and APM***

*Lessee Project Components.* For Lessee Project Components, the City will have no maintenance obligations.

*Terminal B Apron Area.* The City will provide structural maintenance for the Terminal B Apron Area.

*City Project Components.* The City agrees to operate, maintain, keep in good repair and make any necessary replacements of the City Project Components in accordance with the practices of a reasonably prudent airport operator.

*Automated People Mover System.* The City will operate and maintain the APM and use its Best Efforts to cause the APM to be operated so as to provide the same or substantially similar levels of service (based on frequency and capacity) to all terminals.

*Insurance.* Following Substantial Completion of the City Project Components for each Phase, such City Project Components will be insured by the City under a policy of fire and extended coverage insurance to the extent of not less than 80% of the insurable value of such property if such coverage is available. Insurance proceeds received on account of the damage to or destruction of such property will be applied by the City to the repair, construction or replacement of such damaged or destroyed property. Premiums paid by the City for such insurance will constitute City Operation and Maintenance Expenses.

### ***Operation and Staffing of Central FIS and Second FIS***

The City and Lessee mutually agree that it is the best interests of the Airport, the City and Lessee to assure that, following opening of the Second FIS, there continues to be adequate staffing by responsible federal agencies of both the Central FIS and the Second FIS so as to preclude any degradation of arriving international passenger processing times. The City and Lessee agree to cooperate to secure federal resources to achieve the foregoing objective.

### ***Taxes, Charges, Utilities, Liens***

(a) Lessee will pay all taxes that may be levied, assessed or charged upon the Special Facilities or Lessee's leasehold estate therein by the State of Texas or any of its political subdivisions or municipal corporations, and will obtain and pay for all licenses and permits required by law. However, Lessee will have the right to contest, in good faith, the validity or application of any such tax, license or permit and will not be considered in default under the Lease as long as such contest is in progress and diligently prosecuted. The City agrees to cooperate with Lessee in all reasonable ways in connection with any such contest other than a contest of any tax, permit or license of the City.

(b) Lessee will separately meter and pay for all water, drainage, heat, electricity, chilled water, sewer and other utilities to the extent that such utilities are furnished to the Special Facilities; provided however, certain utilities such as central plant will be allocated to Terminal B through City Charges.

(c) Lessee will neither cause or permit any laborers, mechanics, builders, carpenters, materialmen, contractors, or other liens or encumbrances (including judgment and tax liens) against the Special Facilities or any City property by virtue of the construction, repair or replacement of the Special Facilities; provided, however, that Lessee may at its own expense in good faith contest the validity of any alleged or asserted lien and may permit any contested lien to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom unless by such action any part of the Special Facilities may be subject to a material risk of loss or forfeiture, in any of which events such lien will be promptly satisfied or bonded around in accordance with Texas law.

### ***Compliance with Airport Rules and Regulations and Law; Nondiscrimination***

Lessee agrees to comply with pertinent statutes, executive orders and such rules to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance, as further provided in the Lease. In the event of breach of any of the nondiscrimination covenants set forth in the Lease, the Director shall have the right to terminate the

Lease and to enter or re-enter and repossess the land and the facilities thereon, and hold the same as if the Lease had never been made or issued.

### ***Compliance with Tax Law***

With respect to the Special Facilities, Lessee covenants and agrees as follows:

(a) Lessee will comply or cause to be complied with all tax covenants with respect to the Special Facilities and the Bonds contained in the Trust Indenture;

(b) Lessee will continuously repair, preserve, replace or substitute, as needed, all Special Facilities, at its expense, to the extent necessary to maintain and/or extend the reasonably expected economic life of the Special Facilities to satisfy the tax covenant contained in the Trust Indenture. All property for which replacements or substitutions are made by Lessee as provided in the Lease will become Lessee's property (and such replacement or substituted property will become the City's property);

(c) Lessee elects not to claim depreciation or an investment credit for federal income tax purposes with respect to any portion of the Special Facilities; Lessee will take all actions necessary to make this election binding on all its successors in interest under the Lease; and this election will be irrevocable.

### ***City's Right To Maintain or Repair Special Facilities***

In the event Lessee fails (i) to commence within 30 days after written notice from the Director to do any maintenance or repair work to the Special Facilities required to be done under the provisions of the Lease, other than preventive maintenance; (ii) to commence such maintenance or repair work within a period of 90 days if such notice specifies that the work to be accomplished by Lessee involves preventive maintenance only; or (iii) to diligently continue to completion any such maintenance or repair work as required under the Lease; then, the Director or the City may, at its option, and in addition to any other remedies which may be available to it, enter the Special Facilities, without such entry causing or constituting a cancellation of the Lease or an interference with the possession of the Special Facilities, and repair, maintain, replace, rebuild or paint all or any part of the Special Facilities and do all things reasonably necessary to accomplish the work required, and the reasonable cost and expense thereof will be payable to the City by Lessee on written demand; provided, however, if in the reasonable opinion of the Director or the City, Lessee's failure to perform any such repair or maintenance endangers the safety of the public, the employees or other tenants at the Airport, and the Director or the City so states same in its notice to Lessee, the Director or the City may perform such maintenance at any time after the giving of such notice, and Lessee agrees to pay to the City the reasonable cost and expense of such performance on demand. In the event of the performance by the City of any maintenance or repair work on the Special Facilities, the City will use all reasonable efforts to minimize any interference with or interruption of Lessee's business operations.

### ***City's Obligations with respect to Certain Systems and Equipment***

The City will throughout the term of the Lease assume the entire responsibility for the operation and all repair and maintenance of certain systems and equipment described in the Lease, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. The City will perform its maintenance, repair and replacement obligations in a timely and good and workmanlike manner. In the event City fails 30 days after receipt of written notice from Lessee to perform any obligation required under this section be performed by the City, Lessee may enter the facilities involved, and do all things reasonably necessary to perform such obligation. Lessee will have the right to receive a credit under rates and charges for the reasonable cost and expense of performing such obligation and the City agrees to credit to Lessee under rates and charges within 60 days; provided, however, if the City's failure to perform any such obligation endangers the safety of the public, the employees or property of Lessee and Lessee so states in its written notice to the City, Lessee may perform such obligation of the City at any time after the giving of such notice and receive a credit under rates and charges in a similar manner detailed above.

### ***Special Obligations in the Event of Default under the Terminal E Lease***

To the extent that an “Event of Default” by Lessee has occurred and is continuing under the Terminal E Lease, Lessee agrees to provide reasonable access to and use of the 2021 Terminal C Baggage Handling System to the City or any tenant of the City pursuant to the Terminal E Lease, but only to the extent such access and use is necessary for the City to impose and collect rates, charges and rentals in such amounts as Lessee is obligated to pay under the Terminal E Lease, which rates, charges and rentals will be collected by the City all for the account of Lessee and applied in accordance with the Terminal E Lease, all as further provided in the Terminal E Lease

### **Personal Property Not Constituting Special Facilities**

Lessee’s equipment, trade fixtures and personal property not financed with Bonds and not constituting a replacement, repair or substitution for Special Facilities as described in “Lessee’s Obligations and Conditions to Lessee’s Use of Special Facilities—*Compliance with Tax Law*” above may be located in Terminal B or in the Lessee Project Components or on the Easements or Ground Lease Properties without becoming Special Facilities and, unless otherwise provided in the Lease, so long as no Event of Default by Lessee has occurred and is continuing under the Lease, may be removed by Lessee provided that such removal will not damage or impair the Special Facilities or that Lessee at its expense restores the Special Facilities to the same or better condition than existed prior to such removal.

### **Liability, Insurance and Condemnation**

#### ***Release and Indemnification of City and Trustee***

Under the Lease, Lessee generally releases the City and its agents from liability for damage to Lessee’s property or for consequential damages suffered by Lessee in connection with the performance of the Lease. Lessee also agrees to indemnify and defend the City from certain losses arising in connection with the performance of the Lease, provided that Lessee’s liability will not exceed \$1,000,000 per occurrence. Following the substantial completion of the Terminal B Project, Lessee further agrees to indemnify the Trustee for certain losses arising in connection with the Trustee’s acceptance and administration of the trust imposed by the Trust Indenture.

#### ***General Insurance Requirements***

Lessee will provide and maintain certain insurance in full force and effect at all times during the term of the Lease and all extensions thereto, as set forth under the subheading “—Risks and Minimum Limits of Coverage” below. If any of the insurance is written as “claims made” coverage, then Lessee agrees to keep such claims made insurance in full force and effect by purchasing policy period extensions for at least three years after the expiration or termination of the Lease. The Lease also contains certain provisions governing the required form and provisions of insurance policies maintained by Lessee.

#### ***Risks and Minimum Limits of Coverage***

Lessee is obligated to maintain insurance as follows: statutorily required worker’s compensation insurance; employer’s liability insurance in the amounts of \$1,000,000 for bodily injury by accident for each accident, \$1,000,000 for bodily injury by disease for each employee, and \$1,000,000 policy limit for bodily injury by disease; aircraft liability (covering owned, hired, and non-owned aircraft, including passenger liability) with a combined single limit of \$200,000,000; aviation general liability (including broad form coverage, contractual liability, bodily and personal injury, and products and completed operations) with a combined single limit of \$10,000,000 per occurrence/aggregate and \$10,000,000 aggregate limit for products and completed operations; all-risk insurance (covering each Phase or Segment of the Special Facilities following its Substantial Completion, including fire, lightning, vandalism, and extended coverage perils) in the amount equal to the replacement value of each Phase (or Segment) of the Special Facilities; automobile liability insurance with a combined single limit per occurrence of \$5,000,000; and environmental impairment/pollution insurance (including coverage for receiving, dispensing, transporting, removal and handling of aviation fuels or any other pollutants, as well as any other operations involving pollutants) in the amount of \$1,000,000 combined single limit per occurrence, provided that such environmental impairment/pollution insurance coverage is required contingent upon Lessee’s election to purchase such coverage.

In connection with the design, construction, procurement and installation of the Special Facilities, Lessee will contractually require its principal construction contractors and architects/engineers contracting with Lessee (as the case may be) to carry the following additional coverages and limits of liability, unless Lessee carries policies of insurance covering such risk (provided, however, if reasonable under the circumstances, Lessee may, with the concurrence of the Director, require lower limits of liability): professional liability (in the case of architects and engineers) in the amount of \$2,000,000 per occurrence/aggregate; and builder's risk (in the case of contractors) in the amount of the replacement value of each Phase of the Special Facilities, up to an aggregate amount not less than the amount of expended Bond proceeds. Aggregate limits are per 12-month period unless otherwise indicated.

### ***Disposition of Insurance Proceeds***

In the event all of the Special Facilities or any part thereof is damaged or destroyed by an insured casualty and any Bonds remain Outstanding, then, notwithstanding any provision to the contrary in the Lease or elsewhere, the following provisions will be applicable to the expenditure of any insurance proceeds relating to such Special Facilities:

(a) If either (A) the insurance proceeds (less the cost of removing the debris resulting from such casualty) together with any moneys in the Interest and Redemption Fund are sufficient to pay all of the interest, principal and other obligations accrued and to accrue on said Bonds until they are fully and finally paid and all other amounts due under the Trust Indenture, and Lessee requests that the Special Facilities not be repaired or rebuilt, or (B) the insurance proceeds (less the cost of removing the debris resulting from such casualty) together with any moneys available in the Interest and Redemption Fund are insufficient for such purpose, and Lessee agrees to pay the deficiency and requests that the Special Facilities not be repaired or rebuilt, then in either case Lessee may, if the casualty loss is substantial and if the Bonds are redeemed or defeased in whole, together with any unpaid but accrued interest, elect to terminate the Lease and be released from all unaccrued obligations under the Lease; provided that the insurance proceeds (less the cost of removing the debris resulting from such casualty) and the deficiency payments, if any, paid by Lessee will be deposited into the Interest and Redemption Fund for the Bonds and the moneys therein will be applied to pay the obligations with respect to the Outstanding Bonds and other amounts due under the Trust Indenture. If the said proceeds and funds are in excess of the amount then necessary to pay the obligations with respect to the Outstanding Bonds and other amounts due under the Trust Indenture, any such excess after payment or provision for the payment of the Bonds within the meaning of the Trust Indenture and other amounts due under the Trust Indenture has been made will be divided between the City and Lessee as their respective interests appear at the time of such damage or destruction; or

(b) If all Bonds are not repaid as provided in clause (a) above, Lessee agrees to cause such insurance proceeds to be deposited in the Construction Fund under the Trust Indenture (to be disbursed as provided therein) and to promptly repair and rebuild the Special Facilities with the insurance proceeds, and if such proceeds are insufficient for such purposes, Lessee will pay the deficiency. If such proceeds are in excess of the amount necessary for such purposes, any such excess will be transferred by the Trustee to the Interest and Redemption Fund as a credit to the next due payments of Special Facilities Payments, with such credit to continue until the amount thereof is exhausted and if the Special Facilities Payments are paid in full, thereafter, any excess proceeds paid to Lessee. The repair or restoration of the Special Facilities will either be in accordance with the original plans and specifications, together with alterations or modifications made or agreed upon prior to the casualty, or in accordance with new or modified plans and specifications, the alternative to be determined by the mutual agreement of the City and Lessee. Before any reconstruction or repair under this paragraph, Lessee will submit plans and specifications to the Director for approval and such reconstruction or repair will be substantially in accordance therewith subject to such changes as may be reasonably requested by Lessee and approved by the City.

### ***Condemnation***

In the event that the Special Facilities or any part thereof will be taken or condemned in any eminent domain, condemnation, compulsory acquisition or like proceeding by any competent authority or conveyed under threat thereof for any public or quasi-public use or purpose and at such time Bonds remain Outstanding within the meaning of the Trust Indenture or any other amounts remain due under the Trust Indenture, then, notwithstanding any provision to the contrary in the Lease or elsewhere, the condemnation proceeds will be applied as follows:

(a) If all or a substantial part of the Special Facilities is taken and either (A) the condemnation proceeds attributable to the Special Facilities, together with any moneys in the Interest and Redemption Fund, are sufficient to pay all of the interest, principal and other obligations accrued and to accrue on the Bonds until they are fully and finally paid and all other amounts due under the Trust Indenture, and Lessee requests that the Special Facilities not be rebuilt elsewhere, or (B) the condemnation proceeds attributable to the Special Facilities, together with any moneys available in the Interest and Redemption Fund, are insufficient to pay all of the interest, principal and other obligations accrued and to accrue on the Bonds until they are fully and finally paid and all other amounts due under the Trust Indenture, and Lessee agrees to pay the deficiency and requests that the Special Facilities not be rebuilt elsewhere or terminal facilities suitable for such purpose are not available elsewhere, the City will terminate the Lease and release Lessee from all unaccrued obligations under the Lease, provided that the condemnation proceeds attributable to the Special Facilities and deficiency, if any, paid by Lessee will be deposited into the Interest and Redemption Fund for the Bonds and moneys therein will be applied to pay the obligations with respect to the Outstanding Bonds and all other amounts due under the Trust Indenture. If the said proceeds and funds are in excess of the amount then necessary to pay the obligations with respect to the Outstanding Bonds and all other amounts due under the Trust Indenture, any such excess after payment or provision for the payment of the Bonds and all other amounts due under the Trust Indenture within the meaning of the Trust Indenture has been made will be divided between the City and Lessee as their respective interests appear at the time of the taking.

(b) If all or a substantial part of the Special Facilities is taken and Lessee requests that the Special Facilities be rebuilt elsewhere, the Special Facilities will be rebuilt elsewhere and paid for with the condemnation proceeds attributable to the Special Facilities, and if such proceeds are insufficient for such purposes Lessee will pay the deficiency. If such proceeds attributable to the Special Facilities are in excess of the amount necessary for such purpose, any such excess will be paid to the City and deposited by it into the Interest and Redemption Fund for said Bonds as a credit to the next due payments of Special Facilities Payments, with such credit to continue until the amount thereof is exhausted and, thereafter, any excess proceeds paid to Lessee.

(c) In the event that title to or use of less than a substantial part of the Special Facilities is taken by the power of eminent domain (that is, if the primary use of the Special Facilities is not substantially impaired by deletion of the part taken) Lessee will determine whether any rebuilding is necessary. Any condemnation proceeds attributable to the Special Facilities that are not used for the purposes of rebuilding will be assigned to the City and deposited into the Interest and Redemption Fund and applied to redeem as many Bonds as may be redeemed at the next available redemption date.

### ***Reconstruction or Repair***

The rebuilding of the Special Facilities as described under the subheadings “—Disposition of Insurance Proceeds” or “—Condemnation” above will be either in accordance with the original plans and specifications, together with alterations or modifications made or agreed upon prior to the casualty or taking, or in accordance with new or modified plans and specifications, the alternative to be determined by the mutual agreement of Lessee and the Director.

## **Events of Default and Remedies**

### ***Events of Default***

The following will be “Events of Default” as to Lessee under the Lease:

(a) Failure to pay any Special Facilities Payments required to be paid as described under the heading “Special Facilities Payments; Other Rent and Charges” above on its due date; provided, however, that any delayed payment of a Special Facilities Payment that does not constitute an event of default under the Trust Indenture will not constitute an Event of Default under the Lease.

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Lease, other than as referred to in subsection (a) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to Lessee by the City, except default in the timely payment of money (other than as referred to in subsection (a) above), for a period of 15 days after written

notice is given (except (i) if any insurance required to be maintained by Lessee is to be canceled or not renewed, such notice and the period for remedy by Lessee will be limited to the period ending on the date on which such cancellation or nonrenewal is scheduled to occur and (ii) where fulfillment of another obligation requires activity over a period of time, and Lessee will commence to perform whatever may be required for fulfillment within 30 days after the receipt of notice and will diligently continue such performance without interruption, except for causes beyond its control).

(c) Any material lien will be filed against the Special Facilities or Ground Lease Properties or Lessee's interest therein or any part thereof in violation of the Lease by a party other than the City and will remain unreleased (or not bonded around) for a period of 60 days from the date of such filing unless within said period Lessee is contesting in good faith the validity of such lien in accordance with the provisions described in subsection (c) under the heading "Lessee's Obligations and Conditions to Lessee's Use of Special Facilities and City's Obligations—Taxes, Charges, Utilities, Liens" above.

(d) Whenever an involuntary petition will be filed against Lessee under any bankruptcy or insolvency law or under the reorganization provisions of any law of like import or a receiver of Lessee for all or substantially all of the property of Lessee will be appointed without acquiescence and such petition or appointment is not discharged or stayed within 90 days after its filing.

(e) The dissolution or liquidation of Lessee or the filing by Lessee of a voluntary petition in bankruptcy, or failure by Lessee within 90 days to lift or obtain a stay of any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Special Facilities, or a general assignment by Lessee for the benefit of its creditors, or the entry by Lessee into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceeding for its reorganization or liquidation instituted under the provisions of the federal bankruptcy laws, or under any similar laws which may hereafter be enacted. The term "dissolution or liquidation of Lessee," as used in this subsection, will not be construed to include the cessation of the corporate existence of Lessee resulting either from a merger or consolidation of Lessee into or with another corporation or a dissolution or liquidation of Lessee following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions as described under the heading "Miscellaneous—Lessee to Maintain its Corporate Existence" below.

(f) Whenever Lessee will fail to provide adequate assurance (i) that Lessee will promptly cure all defaults under the Lease, if any; (ii) that Lessee will compensate, or provide adequate assurance that Lessee will promptly compensate, the City for any actual pecuniary loss to the City resulting from any Event of Default under the Lease; and (iii) of future performance by Lessee of the terms and conditions of the Lease, each within 30 days after (1) the granting of an Order for Relief with respect to Lessee pursuant to Title XI of the United States Code; (2) the initiation of a proceeding under any bankruptcy or insolvency law or the reorganization provisions of any law of like import; or (3) the granting of the relief sought in an involuntary proceeding against Lessee under any bankruptcy or insolvency law. As used in the Lease, adequate assurance of future performance of the Lease will include, but will not be limited to, adequate assurance (1) of the source of Special Facilities Payments and other consideration due under the Lease and (2) that the assumption or assignment of the Lease will not breach any provision, such as a use, management, or ownership provision, in the Lease, any other material lease, any financing agreement, or master agreement relating to the Special Facilities, including Lessee Project Components.

### ***Remedies on Default***

Whenever any Event of Default referred to under the subheading "—Events of Default" above will have happened and continue to exist, then, the City may take any one or more of the following remedial steps against Lessee:

(a) The City may, and upon a payment default described in subsection (a) under the subheading "—Events of Default" above will, re-enter and take possession of the Special Facilities, the United Funded Equipment and the Ground Lease Properties without terminating the Lease and use its Best Efforts to (i) complete construction and equipping of the Special Facilities (and apply proceeds of previously issued Bonds for such purpose) and (ii) either (x) operate the Special Facilities and the United Funded Equipment and impose rates and charges on airline tenants, as appropriate, for their availability, operation and maintenance or (y) sublease the Special Facilities, the United Funded Equipment and Ground Lease Properties on a net rent lease basis, provided further that in either event



the City will use its Best Efforts to impose and collect rates and charges or rental rates sufficient to provide for City Charges and Ground Rentals to the same extent as Lessee is obligated to do so and to provide additional amounts equal to the Special Facilities Payments described under the heading “Special Facilities Payments; Other Rent and Charges—Special Facilities Payments While Bonds Outstanding,” all for the account of Lessee, holding Lessee liable for the difference between the rents and other amounts payable by Lessee under the Lease and the charges received from airline tenants and/or the rents and other amounts received from any sublessee with respect to the Special Facilities and the United Funded Equipment. All gross proceeds derived by the City from any charges and/or rents (net of City Charges and any Ground Rent attributable to the period after such reletting commences, and up to the amount of all Special Facilities Payments payable under the Lease) will be remitted to the Trustee for deposit in the Interest and Redemption Fund to support repayment of the Bonds.

(b) The City may terminate the Lease, exclude Lessee from possession of the Special Facilities, the United Funded Equipment and the Ground Lease Properties and use its Best Efforts to (i) complete construction and equipping of the Special Facilities (and apply proceeds of previously issued Bonds for such purpose) and (ii) either (x) operate the Special Facilities and the United Funded Equipment and impose rates and charges on airline tenants for their availability, operation and maintenance; or (y) lease the same on a net rent lease basis, provided further that in either event the City will use its Best Efforts to impose and collect rates and charges or rental rates sufficient to provide for City Charges and Ground Rentals to the same extent as Lessee is obligated to do so and to pay the Special Facilities Payments described under the heading “Special Facilities Payments; Other Rent and Charges—Special Facilities Payments While Bonds Outstanding,” all for the account of Lessee, holding Lessee liable for all rents and other amounts due under the Lease and not received by the City from charges or rents with respect to the Special Facilities and the United Funded Equipment. All gross proceeds derived by the City from any charges and/or rents (net of City Charges and any allocable Ground Rentals attributable to the period after such reletting commences, and up to the amount of all Special Facilities Payments payable under the Lease) will be remitted to the Trustee for deposit in the Interest and Redemption Fund to support repayment of the Bonds.

(c) The City may take whatever other action at law or in equity as may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Lessee under the Lease. The City will use its Best Efforts to cause the Special Facilities and the United Funded Equipment to be either operated or leased on a net rent lease basis for the account of Lessee as provided in clauses (a) and (b) above after an Event of Default by Lessee, whether or not the City retakes possession of the Special Facilities or terminates the Lease.

(d) In connection with any reletting of the Special Facilities, the United Funded Equipment and the Ground Lease Properties, the City agrees to use its Best Efforts to relet such Special Facilities, United Funded Equipment and Ground Lease Properties. It is recognized that such tenant(s) will also be required to pay the City Ground Rentals and City Charges in connection with the use and occupancy of such Special Facilities, United Funded Equipment and Ground Lease Properties. In connection with a reletting of the Special Facilities, United Funded Equipment and Ground Lease Properties, the City agrees not to charge such tenant(s) Ground Rentals, City Charges or other charges in excess of those charged (or that would be charged) to Lessee for the areas included in such Special Facilities and Ground Lease Properties.

(e) In connection with any reletting by the City during the original term of the Lease, Lessee will be subrogated to the right of the Trustee to receive payments under the Lease to support repayment of the Bonds to the extent that Lessee has made payments on the Bonds under the Guaranty Agreement.

#### ***Additional Remedy***

In addition to the other remedies provided in the Lease, the City may, in the case of an Event of Default described in subsection (b) under the subheading “—Events of Default” above, enter the Special Facilities and Ground Lease Properties (without such entering causing or constituting a termination of the Lease or an interference with the possession of the Special Facilities and Ground Lease Properties by Lessee) and do all things reasonably necessary to cure such Event of Default, charging to Lessee the reasonable cost and expense thereof and Lessee agrees to pay to the City upon demand such charge in addition to all other amounts payable by Lessee under the Lease.

### ***No Remedy Exclusive***

No remedy in the Lease conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy will be cumulative and will be in addition to every other remedy given under the Lease or hereafter existing under law or in equity (to the extent not inconsistent with the terms of the Lease). No delay or omission to exercise any right or power accruing upon any Event of Default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it under this heading “Events of Default and Remedies,” it will not be necessary to give any notice, unless such notice is expressly required under the Lease or is required by law.

### **Assignments, Subletting and Termination by Lessee**

#### ***Assignments and Subletting by Lessee***

The Lease may not be assigned or otherwise transferred in whole or in part by Lessee (except as described under the heading “Miscellaneous—Lessee to Maintain Its Corporate Existence” below) without the prior written consent of the Director; provided, however, that, unless permitted as described under the subheading “—Termination of Agreement by Lessee” below or the heading “Miscellaneous—Lessee to Maintain Its Corporate Existence” below, the City will not consent to any assignment by Lessee of its rights under the Lease without first obtaining a written agreement from Lessee that Lessee will remain primarily liable for Special Facilities Payments under the Lease. Notwithstanding anything contained in the Lease to the contrary, an assignment or transfer of the Lease that is not permitted under the provisions described under the heading “Miscellaneous—Lessee to Maintain Its Corporate Existence” herein will require a Favorable Opinion of Bond Counsel. Lessee may, upon giving notice to the Director, sublet concessions as authorized under the Lease, and may sublet to or provide ground handling services to Affiliates of Lessee. Lessee may also sublet the Special Facilities or any part thereof to any other party and may provide ground handling services to any other party, subject to the condition that in either instance Lessee first obtains the written consent of the Director to such subletting or providing of ground handling services and all the terms thereof, unless such subletting or providing of ground handling services is expressly authorized in the Lease. In determining whether to grant such consent, the Director will consider all relevant factors and analyses (e.g. financial and otherwise), including without limitation appropriately balanced utilization of terminal facilities at the Airport, taking into account the relative capabilities of such terminal facilities.

If Lessee sublets all or any part of the Special Facilities or if all or any part of the Special Facilities are occupied (pursuant to a written consent from the Director) by anyone other than Lessee (including any Affiliate of Lessee), the City may, if an Event of Default will have occurred under the Lease and be continuing, collect rent or Special Facilities Payments from such sublessee or occupant and the City will apply the amount collected to the extent possible to satisfy the obligations of Lessee under the Lease, but no such collection will be deemed a waiver by the City of the covenants contained in the Lease or an acceptance by the City of any such sublessee, claimant or occupant as a successor lessee, nor a release of Lessee by the City from the further performance by Lessee of the covenants imposed upon Lessee in the Lease.

Notwithstanding anything contained in the Lease to the contrary, so long as any Bonds remain outstanding, no such sublease or assignment will be authorized if in any way it releases Lessee from its primary obligations under the Lease, including its obligation to pay Special Facilities Payments.

#### ***No Termination of Agreement by Lessee while Bonds Remain Outstanding***

Lessee will not terminate the Lease for any reason whatsoever as long as any of the Bonds remain Outstanding within the meaning of the Trust Indenture or any other amounts are due and owing under the Trust Indenture.

## **Miscellaneous**

### ***Lessee to Maintain Its Corporate Existence***

Lessee will throughout the term of the Lease maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that Lessee may, without violating the agreement contained in this section or the agreement described under the heading “Assignments, Subletting and Termination by Lessee—Assignments and Subletting by Lessee” above, (A) assign the Lease to its parent, to an entity with which it merges or consolidates, to an entity that succeeds to all or substantially all of Lessee’s assets or, to an entity that is under common control of Lessee’s parent, or (B) consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise dispose of all or substantially all of its assets as an entirety and thereafter dissolve, provided, if Lessee is not the surviving corporation, the surviving, resulting or transferee corporation, as the case may be, or the entity to whom the Lease is assigned as provided in (A) above (i) assumes in writing all of the obligations of Lessee in the Lease and (ii) qualifies or is qualified to do business in Texas.

### ***Exempt Facilities***

In order to assure that interest on the Bonds will be exempt from federal income taxation, Lessee covenants and agrees that it will not, and it will not permit or allow any other person to, construct, acquire, use, employ, modify, rebuild or repair Lessee Project Components or any Special Facilities in any manner that would cause or allow it or them to be or become facilities which are not included within those set forth and described in Sections 142(a)(1) and (c) of the Internal Revenue Code of 1986, as amended, and the regulations prescribed thereunder, and the City covenants and agrees that it will not permit or allow any of the foregoing to occur. Lessee makes an irrevocable election, which it will cause to be binding on all successors in interest under the Lease, not to claim for federal income tax purposes depreciation or investment credit with respect to the Special Facilities or any component thereof. The City will never be required or requested under the Lease to issue any Bonds or expend any proceeds thereof to pay any Costs of the Special Facilities that would have the effect of causing interest on any of the Bonds not to be exempt from federal income taxation.

### ***Force Majeure***

Neither the City nor Lessee will be deemed in violation of the Lease if it is prevented from performing any of the obligations under the Lease by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, war, or any other circumstances for which it is not responsible or which is not in its control, and the time for performance will be automatically extended by the period the party is prevented from performing its obligations under the Lease; provided, however, that these provisions will not apply to any failure by Lessee to pay the rentals and other charges pursuant to the Lease, expressly including the Special Facilities Payments payable thereunder.

### ***Place of Performance; Laws Governing***

The Lease will be performable and enforceable in Harris County, Texas, and will be construed in accordance with the laws of the State of Texas, the City Charter and Ordinances of the City of Houston, Federal law and all applicable State and Federal regulations.

### ***Most Favored Nation***

Lessee will have the same rights and privileges and pay the same City-established fees and charges, not to exceed those established under the provisions of the Lease as periodically revised under the terms of the Lease, with respect to the use of the Airport as are granted to or charged any other airline executing a use and lease agreement with the City for use of the Airport. It is understood that ground rentals and lease rentals are set by City Council, and to the extent permitted under applicable Federal law therefore may vary between lessees on account of the different premises to be leased at the time thereof. It is further understood that lease rentals and charges in terminal buildings, flight stations and associated aircraft apron areas constructed in the future and not described in the Lease may vary

from the lease rentals and charges established in the Lease for the facilities, depending upon the capital cost and financing arrangements involved and, therefore may be more or less than the lease rentals established in the Lease for similar facilities.

## APPENDIX D

### EXCERPTS OF CERTAIN PROVISIONS OF THE GUARANTY

The following are excerpts of certain provisions of the Guaranty dated as of August 1, 2021 from United Airlines, Inc. in favor of The Bank of New York Mellon Trust Company, National Association as trustee with respect to the Series 2021B-1 Bonds (the “Guaranty”). *The excerpts contained in this APPENDIX D do not purport to be complete or definitive and are qualified in their entirety by reference to the full provisions of the Guaranty. Provisions included herein are in substantially final form, but may change prior to the issuance of the Series 2021B-1 Bonds and may thereafter be amended in accordance with the terms of the Guaranty.*

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In order to induce the City of Houston, Texas (the “Issuer”) to issue the Series 2021B-1 Bonds, and The Bank of New York Mellon Trust Company, National Association, as trustee with respect to the Series 2021B-1 Bonds (the “Trustee”), to assume its obligations under the Fifth Supplemental Terminal Trust Indenture dated as of August 1, 2021 relating to the Series 2021B-1 Bonds (which supplements that certain Trust Indenture dated as of March 1, 1997, as previously supplemented by a First Supplemental Terminal Trust Indenture dated as of December 1, 1998, a Second Supplemental Terminal Trust Indenture dated as of November 1, 2011, a Third Supplemental Terminal Trust Indenture dated as of March 1, 2015, and a Fourth Supplemental Terminal Trust Indenture dated as of June 1, 2020) (collectively, the “Terminal Trust Indenture”), in consideration of such actions, and for other good and valuable consideration, the receipt of which is hereby acknowledged, United Airlines, Inc. (“United”) hereby agrees with the Trustee in this Guaranty as follows:

1. Obligations Guaranteed.

(a) United hereby unconditionally guarantees to the Trustee, for the benefit of the registered owners of the Series 2021B-1 Bonds (the “Bondholders”) (i) the full and prompt payment of the principal of and premium, if any, on the Series 2021B-1 Bonds when and as the same shall become due and payable as provided in the Terminal Trust Indenture, whether at the stated maturity thereof, by redemption, acceleration or otherwise and (ii) the full and prompt payment of interest on the Series 2021B-1 Bonds when and as the same shall become due and payable as provided in the Terminal Trust Indenture. The obligations covered by this Guaranty are intended by the parties hereto to be independent of those set out in, and enforceable without regard to the validity or enforceability of, any or all provisions of the Second Amended and Restated Special Facilities Lease Agreement effective as of November 17, 2011 between the Issuer and United, then known as Continental Airlines, Inc. (as amended and supplemented, including by Amendment No. 1 to the Second Amended and Restated Special Facilities Lease Agreement, dated as of February 21, 2013, Amendment No. 2 to the Second Amended and Restated Special Facilities Lease Agreement, dated as of April 10, 2015, and Amendment No. 3 to the Second Amended and Restated Special Facilities Lease Agreement, dated as of August 11, 2021, the “Lease”), or any obligation of United contained therein.

(b) This Guaranty is a guarantee of payment only, and not a guarantee of collectability.

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3. Enforcement.

(a) If United fails to perform its obligations hereunder, the Trustee shall have the right to proceed immediately against United to enforce its rights under this Guaranty, provided, however, that the Trustee shall credit against United's payment obligations under this Guaranty any and all corresponding rental payments received from United pursuant to Section 6.01 of the Lease [as described under "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Special Facilities Payments; Other Rent and Charges—*Special Facilities Payments While Bonds Outstanding*"] and, subject to the terms of the Terminal Trust Indenture, any and all monies and securities held by and available to the Trustee for the purpose of paying the principal of, premium, if any, or interest due on the Series 2021B-1 Bonds under the Terminal Trust Indenture. To the extent any Guaranty payments are made hereunder, such payments shall satisfy United's obligation to pay those amounts as rental payments pursuant to Section 6.01 of the Lease [as described under "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Special Facilities Payments; Other Rent and Charges—*Special Facilities Payments While Bonds Outstanding*"]. To the fullest extent permitted by law, including, without limitation, any suretyship defenses pursuant to Chapter 34 of the Texas Business and Commerce Code, United hereby waives any defenses (other than the defense of payment or performance of the obligations contained herein) or benefits that may be derived from or afforded by any applicable law that may limit the liability of or exonerate guarantors, unless such defenses or benefits are reserved or provided herein.

(b) All monies received by the Trustee pursuant to any right given or action taken under the provisions of this Guaranty shall be deposited by the Trustee in the Interest and Redemption Fund (as defined in the Terminal Trust Indenture) for the benefit of the Bondholders and such monies shall be applied by the Trustee in accordance with the terms of the Terminal Trust Indenture.

(c) The Trustee shall be under no obligation to institute any suit or to take any remedial action under this Guaranty, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the enforcement of any rights and powers under this Guaranty, until the Trustee shall have received a written request of the registered owners of at least a majority in aggregate principal amount of the Series 2021B-1 Bonds then Outstanding (as defined in the Terminal Trust Indenture) to do so and upon being indemnified by them to its satisfaction against any and all liability (including without limitation, reasonable compensation for services, costs and expenses, outlays, and counsel fees and expenses and other disbursements) not due to its negligence or willful misconduct.

(d) This Guaranty may be enforced only by the Trustee by such actions, suits, and proceedings, at law and in equity, as may be necessary or expedient to preserve and protect its interests and the interests of the Bondholders hereunder.

4. United to Maintain Corporate Existence. Except as hereinafter provided in this Section 4, United agrees that during the term of this Guaranty it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that United is permitted to consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or to sell or otherwise dispose of all or substantially all of its assets as an entirety and thereafter dissolve, provided, if United is not the surviving corporation, the surviving, resulting or transferee corporation, as the case may be, (i) assumes in writing all United's obligations under this Guaranty and (ii) qualifies or is qualified to do business in the State of Texas. Notwithstanding the foregoing, if United assigns or transfers its rights and obligations under the Lease in accordance with the provisions of the Lease during the term of this Guaranty, United shall cause the assignee of the Lease to assume all of United's rights and obligations under this Guaranty.

5. Bankruptcy. In the event that all or any portion of the obligations covered by this Guaranty is paid or performed by United, the obligations of United hereunder shall continue and remain in

full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the Trustee as a preference, fraudulent transfer or otherwise.

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7. Amendment. This Guaranty may be amended by United and the Trustee only in accordance with the provisions of the Terminal Trust Indenture.

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11. Effective Date; Termination. This Guaranty shall be effective as of the date of issuance of the Series 2021B-1 Bonds, and shall remain in effect until the date on which the lien created by the Terminal Trust Indenture is terminated with respect to the Series 2021B-1 Bonds in accordance with the provisions thereof.

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## APPENDIX E

### BOOK-ENTRY ONLY SYSTEM

*The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Series 2021B-1 Bonds, payment of principal and purchase price, if any, and premium, if any, and interest and other payments with respect to the Series 2021B-1 Bonds to Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in such Series 2021B-1 Bonds and other related transactions by and among DTC, the Direct Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations is made concerning these matters, and neither the Direct Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, the City, United or the Trustee.*

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2021B-1 Bonds. The Series 2021B-1 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021B-1 Bond will be issued for each maturity of the Series 2021B-1 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with 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. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2021B-1 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021B-1 Bonds on DTC’s records. The ownership interest of each actual purchaser of a Series 2021B-1 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021B-1 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 definitive certificates representing their ownership interests in the Series 2021B-1 Bonds, except in the event that use of the book-entry system for the Series 2021B-1 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021B-1 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021B-1 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no

knowledge of the actual Beneficial Owners of the Series 2021B-1 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021B-1 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 2021B-1 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021B-1 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Indenture. For example, Beneficial Owners of Series 2021B-1 Bonds may wish to ascertain that the nominee holding the Series 2021B-1 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 Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021B-1 Bonds of any maturity 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 any other DTC nominee) will consent or vote with respect to the Series 2021B-1 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 2021B-1 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Series 2021B-1 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee on 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 bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, United or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, redemption proceeds and purchase price to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee from the sources provided in the Trust Indenture, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

THE CITY, UNITED AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO THE DIRECT PARTICIPANTS OR THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2021B-1 BONDS (I) PAYMENTS OF PRINCIPAL OR PURCHASE PRICE, IF ANY, OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021B-1 BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2021B-1 BONDS OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2021B-1 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, ITS DIRECT PARTICIPANTS OR ITS INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NONE OF THE CITY, UNITED AND THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE SERIES 2021B-1 BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE CITY KEPT BY THE TRUSTEE AS BEING A BONDHOLDER. THE CITY, UNITED, AND THE TRUSTEE SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (I) ANY OWNERSHIP INTEREST IN THE SERIES 2021B-1 BONDS; (II) THE PAYMENT BY DTC TO ANY

PARTICIPANT OR BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR PURCHASE PRICE, IF ANY, OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021B-1 BONDS; (III) THE DELIVERY TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE; (IV) THE SELECTION BY DTC OR ANY PARTICIPANTS OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2021B-1 BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO.

SO LONG AS CEDE & CO. IS REGISTERED OWNER OF THE SERIES 2021B-1 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE SERIES 2021B-1 BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2021B-1 BONDS.

**Discontinuance of Book-Entry System.** DTC may discontinue providing its services as securities depository with respect to the Series 2021B-1 Bonds at any time by giving reasonable notice to the Trustee, or the City, with the consent of United, may also terminate its participation in the system of book-entry transfers through DTC or any other securities depository at any time. In the event that the book-entry system is discontinued, the Trustee will execute and make available for delivery, replacement definitive, fully-registered Series 2021B-1 Bonds.

**Transfer Fees.** For every transfer and exchange of Series 2021B-1 Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax or governmental charge that may be imposed in relation thereto.

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## APPENDIX F

### FORM OF CONTINUING DISCLOSURE AGREEMENT

#### CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT**, dated as of August 31, 2021 (the “Disclosure Agreement”), between United Airlines, Inc. (the “Company”) and The Bank of New York Mellon Trust Company, National Association, as trustee (together with its predecessors-in-interest, the “Trustee”);

#### WITNESSETH:

**WHEREAS**, pursuant to a Purchase Contract dated as of August 25, 2021 (the “Purchase Contract”), the City of Houston, Texas (the “City”) intends to sell its Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2021B-1 (AMT) (the “Bonds”) to Citigroup Global Markets Inc. and the other underwriters named in Exhibit A thereto (each an “Underwriter” and, collectively, the “Underwriters”), and, in order to permit the Underwriters to satisfy their obligations under Securities and Exchange Commission Rule 15c2-12, the Company has agreed to enter into this Disclosure Agreement;

**NOW, THEREFORE**, for and in consideration of the agreement of the City to issue and sell the Bonds, and to induce the Underwriters to purchase the Bonds, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company **DOES HEREBY AGREE** with the Trustee for the benefit of the owners from time to time of the Bonds as follows:

SECTION 1. Definitions. In addition to the definitions set forth in the preamble of this Disclosure Agreement or in the Trust Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“Airport” shall mean George Bush Intercontinental Airport/Houston.

“Annual Report” shall mean any Annual Report provided by the Company as described in Sections 3 and 4 of this Disclosure Agreement.

“Dissemination Agent” shall mean the Trustee, acting in its capacity as dissemination agent hereunder, or any successor dissemination agent designated in writing by the Company pursuant to Section 7 of this Disclosure Agreement and that has filed with the Trustee a written acceptance of such designation.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(xv) and Section 5(a)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Exchange Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Master Trust Indenture” shall mean that certain Trust Indenture dated as of March 1, 1997, between the City and the Trustee.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (“EMMA”) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the “final official statement” as defined in paragraph (f)(3) of the Rule, relating to the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Exchange Act, 17 CFR § 240.15c2-12, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“Special Facilities Lease” shall mean that certain Second Amended and Restated Special Facilities Lease Agreement, dated as of November 17, 2011, between the City and the Company (then known as Continental Airlines, Inc.) as amended pursuant to (i) an Amendment No. 1 to Second Amended and Restated Special Facilities lease dated as of February 21, 2013, (ii) an Amendment No. 2 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of April 10, 2015, and (iii) Amendment No. 3 to Second Amended and Restated Special Facilities Lease Agreement (United Airlines, Inc. Terminal Improvement Projects), dated as of August 11, 2021, which amends and restates that certain Special Facilities Lease Agreement (Continental Airlines, Inc. Airport Improvement Projects) dated as of March 1, 1997 as previously amended and restated as of December 1, 1998 between the City and the Company.

“State” shall mean the State of Texas.

“Trust Indenture” shall mean the Master Trust Indenture, as amended and supplemented by that certain First Supplemental Terminal Trust Indenture dated as of December 1, 1998, that certain Second Supplemental Terminal Trust Indenture dated as of November 1, 2011, that certain Third Supplemental Terminal Trust Indenture dated as of March 1, 2015, that certain Fourth Supplemental Terminal Trust Indenture dated as of June 1, 2020, and that certain Fifth Supplemental Terminal Trust Indenture dated as of August 1, 2021, each between the City and the Trustee.

SECTION 2. Purpose of the Disclosure Agreement; Beneficiaries. This Disclosure Agreement is being executed and delivered by the Company for the benefit of the owners of the Bonds and in order to assist the Underwriters in complying with the Rule. The Company, the Underwriters and the Trustee acknowledge and agree that the City has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any holder of the Bonds, with respect to any such reports, notices or disclosures, and the Trustee has only the specific responsibilities set forth herein and is entitled in fulfilling its obligations hereunder to the indemnification from the Company and the City provided in the Special Facilities Lease and the Trust Indenture. This Disclosure Agreement does not apply to any other bonds issued or to be issued by the City, whether in connection with the Special Facilities (as defined in the Special Facilities Lease) or otherwise. Because only the Company is directly responsible for making payments to support the payment of debt service on the Bonds, the Company is the sole “obligated person” under the Rule for whom financial information or operating data is presented in the Official Statement.

### SECTION 3. Provision of Annual Reports.

(a) The Company shall, or shall cause the Dissemination Agent to, not later than the last day of the sixth month following the end of each fiscal year of the Company (which is currently December 31), commencing with the fiscal year ending December 31, 2021, file with the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 business days prior to such date, the Company shall file the Annual Report with the Dissemination Agent (if any) and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Company as disclosed below may be submitted separately from the balance of the Annual Report. If the Company’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) If by (i) 15 business days prior to the date specified in the first sentence of subsection (a) for providing the Annual Report to the MSRB, the Trustee has not received a copy of the Annual Report, or (ii) the date which is the last day of the sixth month following the end of the applicable fiscal year of the Company, the Trustee has not received notification that an Annual Report has been filed with the MSRB as required by Section 3(d)(ii), the

Trustee shall contact the Company and the Dissemination Agent (if any) regarding the Company's compliance with subsection (a).

(c) If, after contacting the Company and the Dissemination Agent as required by subsection (b), the Trustee is unable to verify (based on information provided by the Company and/or the Dissemination Agent) that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice promptly to the MSRB in substantially the form attached hereto as Exhibit A.

(d) The Company agrees that it shall:

(i) file or cause to be filed each year the Annual Report with the MSRB; and

(ii) send or cause to be sent to the Trustee (if the Dissemination Agent is not the Trustee) a notice certifying that the Annual Report has been provided to the MSRB as required by Section 3(a) of this Disclosure Agreement, stating the date it was filed.

SECTION 4. Content of Annual Reports. The Company's Annual Report shall consist of the following:

1. (a) The Company's report on Form 10-K (which may be in the form of a combined report reflecting information about both the Company and United Airlines Holdings, Inc.), and all materials physically included therewith or incorporated by reference therein, filed by the Company with the SEC or (b) an incorporation by reference of such report on Form 10-K and such other materials included therewith or incorporated by reference therein. If the Company should cease to be a reporting company under the Exchange Act, then the Company shall provide with the other information required in the Annual Report its audited financial statements and operating data of the type that would be provided to the SEC if the Company were such a reporting company, any of which materials may be incorporated by reference from materials on file with the SEC or the MSRB. The Company's audited financial statements shall be prepared (i) so long as the Company is a reporting company under the Exchange Act, in accordance with the rules of the SEC for preparing audited financial statements to be filed as part of a Form 10-K, and (ii) if the Company shall cease to be a reporting company, in accordance with generally accepted accounting principles.

2. A listing of the average number of the Company's scheduled departures (excluding regional jet operations) each day from the Airport during the most recently-completed calendar year.

3. A listing of the average number of additional scheduled daily departures by United's regional carriers from the Airport during the most recently-completed calendar year.

4. A listing of the approximate number of enplaned passengers at the Airport by the Company's and its regional carriers during the most recently completed calendar year.

5. A listing of the number of non-stop markets (including the number of international destinations) served by the Company from the Airport as of a date not earlier than the last day of the most recently completed calendar year.

6. A listing of the number of domestic and international destinations served by United's regional carriers from the Airport during the most recently-completed calendar year.

7. A listing of the number of gates leased by the Company at the Airport for the most recently completed calendar year.

8. A listing of the approximate percentage of the Company's and its regional carriers' enplaned passengers at the Airport in the immediately preceding calendar year that were connecting from flights operated by the Company or its regional carriers.

9. The approximate percentage of the Company's system-wide passenger enplanements served by the Airport during the most recently-completed calendar year.

Any materials to be provided by the Company under this Section 4 may be incorporated by reference from materials on file with the SEC or the MSRB.

SECTION 5. Reporting of Listed Events.

(a) Each of the following events with respect to or related to the Bonds, or with respect to the Company, as applicable, shall constitute a Listed Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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;
- (vii) Modifications to the rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Company;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Company or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of the Company, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Company, any of which affect Bond holders, if material; or
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Company, any of which reflect financial difficulties.



For the purposes of the event identified in Section 5(a)(xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Company in a proceeding under the United States 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 Company, 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 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 Company.

(b) If a Listed Event occurs (other than an event modified by the terms “if material”), the Company shall provide, or cause the Dissemination Agent to provide, notice of the occurrence of such Listed Event to the Trustee in a timely manner not in excess of seven business days after the occurrence of such Listed Event. The Trustee shall, within three business days of receipt of notice of the occurrence of such Listed Event (and in any event cumulatively within ten business days after the occurrence of such Listed Event, provided that notice is received by the Trustee from the Company as provided above), provide notice of such Listed Event to the MSRB, the City, and each holder or beneficial owner of a Bond that has, prior to the occurrence of such Listed Event, requested in writing to the Trustee to receive notices of Listed Events. Whenever an executive officer of the Company obtains actual knowledge of the occurrence of a Listed Event modified by the terms “if material,” the Company shall as soon as possible reasonably determine if such event would constitute material information for holders of the Bonds. If the Company has reasonably determined that the occurrence of such a Listed Event would constitute material information for holders of the Bonds, then the Company shall provide, or cause the Dissemination Agent to provide, notice of the occurrence of such Listed Event to the Trustee in a timely manner not in excess of seven business days after the occurrence of such Listed Event. The Trustee shall, within three business days of receipt of notice from the Company of the occurrence of such Listed Event (and in any event cumulatively within ten business days after the occurrence of such Listed Event, provided that notice is received by the Trustee from the Company as provided above), provide notice of such Listed Event to the MSRB, the City, and each holder or beneficial owner of a Bond that has, prior to the occurrence of such Listed Event, requested in writing to the Trustee to receive notices of Listed Events.

**SECTION 6. Termination of Reporting Obligation.** The respective obligations of the Company and the Trustee under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full, of all of the Bonds. If the Company’s obligations under the Special Facilities Lease and this Disclosure Agreement are assumed in full by some other entity and the Company no longer has any liability as to the Bonds, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Company and the original Company shall have no further responsibility hereunder. This Disclosure Agreement shall also terminate upon (i) the Rule being withdrawn or having been found by a court of competent jurisdiction to be invalid, or (ii) receipt by the Trustee and the Company of an opinion of counsel of nationally recognized expertise in matters relating to securities laws affecting municipal securities to the effect that the Rule is no longer applicable to the Bonds.

**SECTION 7. Dissemination Agent.** The Company may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Company shall be the Dissemination Agent.

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Company and the Trustee may amend this Disclosure Agreement (and the Trustee may, but shall not be obligated to, enter into any such amendment of this Disclosure Agreement which affects the Trustee’s own rights, duties or immunities) and any provision of this Disclosure Agreement may be waived, if (a) such amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a) and arises from a change in legal (including regulatory) requirements or in interpretations thereof, change in law, or change in the identity, nature, or status of the Company or the type of business conducted by the Company; (b) this Disclosure Agreement, as amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; or (c) the amendment or waiver does not materially impair the interest of the holders of the Bonds, as determined by either (i) a party unaffiliated with the City or the Company (such as bond counsel or other counsel of nationally recognized expertise in matters relating

to the application of federal securities laws to municipal obligations who (or which) is not a full time employee of the City or the Company), or (ii) the approving vote of holders of the Bonds obtained in the same manner as an approving vote of holders of the Bonds of an amendment to the Trust Indenture. In the event of any amendment or waiver of a provision of this Disclosure Agreement that results in a change to the information provided in any subsequent Annual Report, the Company shall describe such amendment or waiver in the next Annual Report and shall include, as applicable, in narrative form, the reasons for the amendment and the impact of the change on the type of operating data or financial information being provided. If such change relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made should present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, notice of such amendment shall be provided by the Company to the Trustee, and the Trustee shall provide such notice to the MSRB and the City. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Company to meet its obligations, and to the extent feasible in the view of the Company, shall be quantitative as well. In executing any amendment to this Disclosure Agreement, the Trustee shall be entitled to receive and rely upon an opinion of counsel that such amendment complies with this Section 8.

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

SECTION 10. Default. If the Company fails to comply with any provision of this Disclosure Agreement, any Bondholder may, or the Trustee may (and, at the request of any of the Underwriters or the holders of not less than a majority in aggregate principal amount of Outstanding Bonds, shall), take such actions as may be necessary and appropriate, including seeking an order of mandamus or specific performance by court order, to cause the Company to comply with its obligations under this Disclosure Agreement. Notwithstanding the foregoing, the Trustee shall not be obligated to do so unless it receives indemnification reasonably satisfactory to it for its fees and expenses (including reasonable attorneys' fees) in pursuing that action. A default under this Disclosure Agreement shall not be deemed a default or an Event of Default under the Trust Indenture or the Special Facilities Lease or to result in any pecuniary liability of the Company or the Trustee, and the sole remedy in the event of any failure of the Company or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance hereunder.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article IX of the Master Trust Indenture (relating to, among other things, the rights, immunities, indemnities and limitations on liability of the Trustee) are hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Master Trust Indenture and applicable to the Dissemination Agent. The Dissemination Agent agrees to disseminate the information provided to it hereunder in the form delivered by the Company. The Dissemination Agent is acting hereunder solely in an agency capacity and shall have no liability or responsibility for the form, content, accuracy or completeness of any information furnished by it hereunder, except for information concerning the Dissemination Agent, and any such information may contain a legend to that effect. The Dissemination Agent shall have no obligation to provide disclosure except as expressly set out herein, provided that no provision of this Disclosure Agreement shall limit or modify the duties or obligations of the Trustee under the Trust Indenture. The fact that the Trustee has or may have any banking, fiduciary or other relationship created by the Trust Indenture and this Disclosure Agreement shall not be construed to mean that the Trustee has knowledge or notice of any event or condition relating to the Bonds except in its respective capacities under such agreements. No provision of this Disclosure Agreement shall require or be construed to require the City or Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder. Neither the City nor the Dissemination Agent shall disclose information, unless required by relevant Texas law with respect to the City, (i) deemed in writing to be confidential or proprietary by the Company, (ii) the disclosure of which is prohibited by applicable law; or (iii) otherwise not subject to disclosure as determined by the Company in writing delivered to the City and the Dissemination Agent or by the City. The Annual Report may contain such disclaimer language as the Company may

deem appropriate and any information disclosed hereunder by the Dissemination Agent may contain such disclaimer language as the Dissemination Agent may deem appropriate.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Company, the Trustee, the Underwriters, and the holders from time to time of the Bonds (or a beneficial interest therein), and shall create no rights in any other person or entity.

SECTION 13. Notices. Notices required or permitted to be given hereunder to the Company, the City or the Trustee shall be provided as set forth in Section 9.9 of the Fifth Supplemental Terminal Trust Indenture.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts or .pdf counterparts delivered by electronic mail, each of which shall be an original and all of which shall constitute but one and the same instrument. Signatures provided by facsimile transmission or in .pdf format sent by electronic mail shall be deemed to be original signatures.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first written above.

**United Airlines, Inc.**

By: \_\_\_\_\_  
Name: Pamela S. Hendry  
Title: Vice President & Treasurer

**The Bank of New York Mellon Trust Company, National  
Association, as Trustee**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Houston, Texas

Name of Bond Issue: \_\_\_\_\_

\_\_\_\_\_

Name of Company: United Airlines, Inc.

Date of Issuance: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Company named above has not provided the required annual financial information as required under the Continuing Disclosure Agreement, dated as of August 31, 2021, between the Company listed above and the undersigned, as trustee, relating to the Bond Issue described above, on or before the date such information is required to be provided in such Continuing Disclosure Agreement.

Dated: \_\_\_\_\_

The Bank of New York Mellon Trust Company, National  
Association, as trustee

By: \_\_\_\_\_

Title:

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## APPENDIX G

### FORMS OF OPINIONS OF CO-BOND COUNSEL AND TAX COUNSEL

#### BRACEWELL LLP

711 LOUISIANA STREET, SUITE 2300  
HOUSTON, TEXAS 77002

#### WEST & ASSOCIATES, L.L.P.

440 LOUISIANA STREET, SUITE 1880  
HOUSTON, TEXAS 77002

August 31, 2021

We have acted as co-bond counsel for the City of Houston, Texas (the “City”) in connection with the issuance of the CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES REVENUE BONDS (UNITED AIRLINES, INC. TERMINAL IMPROVEMENT PROJECTS), SERIES 2021B-1 (AMT) in the original aggregate principal amount of \$219,320,000 (the “Series 2021B-1 Bonds”).

The Series 2021B-1 Bonds are authorized pursuant to the Trust Indenture, dated as of March 1, 1997 (as supplemented as described herein, the “Terminal Trust Indenture”), by and between the City and The Bank of New York Mellon Trust Company, National Association (successor in trust to Chase Bank of Texas, National Association and to Texas Commerce Bank National Association), as trustee (the “Trustee”), as supplemented by a First Supplemental Terminal Trust Indenture, dated as of December 1, 1998, a Second Supplemental Terminal Trust Indenture, dated as of November 1, 2011, a Third Supplemental Terminal Trust Indenture, dated as of March 1, 2015, a Fourth Supplemental Terminal Trust Indenture, dated as of June 1, 2020, and a Fifth Supplemental Terminal Trust Indenture, dated as of August 1, 2021 (the “Fifth Supplemental Terminal Trust Indenture”).

The Series 2021B-1 Bonds mature, bear interest and are subject to redemption prior to maturity as set forth in the Series 2021B-1 Bonds and in the Fifth Supplemental Terminal Trust Indenture. Capitalized terms used herein but not otherwise defined shall have the meanings assigned to such terms in the Terminal Trust Indenture.

Proceeds of the Series 2021B-1 Bonds are to be used to finance the development, construction and acquisition of certain terminal facilities and improvements at George Bush Intercontinental Airport/Houston, which airport facilities have been leased by the City to United Airlines, Inc. (formerly known as Continental Airlines, Inc.) (“United”) pursuant to a Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects) between the City and United, dated as of November 14, 2011 and effective as of November 17, 2011, as amended and supplemented (the “Lease”), including by (i) that certain Amendment No. 1 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of February 21, 2013, (ii) that certain Amendment No. 2 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of April 10, 2015, (iii) that certain COVID-19 Airline Blanket Amendment dated as of April 27, 2020, and (iv) that certain Amendment No. 3 to the Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects) dated as of August 11, 2021 (the “Third Amendment to the Lease”).

United has agreed to pay, pursuant to the terms of the Lease, certain Net Rent (which consists of Special Facilities Payments, as defined in the Lease) in amounts which, together with other Pledged Revenues, will be sufficient to pay principal of, premium, if any, and interest on all Terminal Improvement Bonds issued under the Terminal Trust Indenture, including the Series 2021B-1 Bonds. In addition, United has guaranteed the payment of principal of, premium, if any, and interest on the Series 2021B-1 Bonds pursuant to a guaranty agreement entered into with the Trustee, dated as of August 1, 2021 (the “Guaranty”), as more fully described therein.

We have acted as co-bond counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Series 2021B-1 Bonds under the Constitution and laws of the State of Texas. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have assumed no responsibility with respect to the financial condition or capabilities of United or the City, including the Airport System, or the reporting or disclosure thereof in connection with the offer and sale of the Series 2021B-1 Bonds.

In our capacity as co-bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the authorization and issuance of the Series 2021B-1 Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the City Council of the

City; customary and required certificates of officials, agents and representatives of the City, United and the Trustee; and other certified showings relating to the authorization, execution and delivery of the Fifth Supplemental Terminal Trust Indenture and the Third Amendment to the Lease, and the authorization and issuance of the Series 2021B-1 Bonds. We also have examined executed counterparts of the Terminal Trust Indenture and the Lease, the executed Series 2021B-1 Bond No. AG-1 and a specimen of the forms of the definitive Series 2021B-1 Bonds.

Based on such examination and in reliance on such certifications and assumptions, it is our opinion that:

1. The transcript of certified proceedings referenced above evidences complete legal authority for the issuance of the Series 2021B-1 Bonds in full compliance with the Constitution and the laws of the State of Texas presently effective and that, therefore, the Series 2021B-1 Bonds constitute legal, valid and binding special obligations of the City; and
2. The Series 2021B-1 Bonds, together with all outstanding Terminal Improvement Bonds and any additional Terminal Improvement Bonds hereafter issued, are payable from and secured by a lien on and pledge of the City's right, title and interest in and to the Pledged Revenues, which include, without limitation, Net Rent payable by United to the Trustee on behalf of the City pursuant to the terms of the Lease, all as more fully defined and provided in the Terminal Trust Indenture and the Lease; and provision has been made in the Terminal Trust Indenture and the Lease for the payment by United of such Net Rent in amounts, which, together with other Pledged Revenues, are sufficient to pay the principal of, premium, if any, and the interest on the Terminal Improvement Bonds, including the Series 2021B-1 Bonds.

The rights of the owners of the Series 2021B-1 Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions, and may be limited by general principles of equity that permit the exercise of judicial discretion. The Series 2021B-1 Bonds are payable from and secured by a lien on and pledge of the Pledged Revenues and do not constitute an indebtedness or general obligation of the City. Owners of the Series 2021B-1 Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and the Series 2021B-1 Bonds may not be repaid in any circumstances from tax revenues or general revenues of the City or the Airport System. Payment of the principal of, premium, if any, and interest on the Series 2021B-1 Bonds is further guaranteed by United pursuant to the Guaranty, as more fully described therein. The City's obligations pursuant to the Terminal Trust Indenture and United's obligations pursuant to the Lease and the Guaranty are subject to limitation by applicable federal bankruptcy laws and any other similar laws affecting the rights of creditors generally.

The City has reserved the right, upon the request of United, to issue Additional Bonds and Refunding Bonds, subject to the restrictions contained in the Terminal Trust Indenture, payable from and secured by a lien on and pledge of the Pledged Revenues on a parity with the Series 2021B-1 Bonds.

Our opinions are based on existing law and our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.



# BRACEWELL

August 31, 2021

We have acted as special tax counsel for the City of Houston, Texas (the “City”) in connection with the issuance of the CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES REVENUE BONDS (UNITED AIRLINES, INC. TERMINAL IMPROVEMENT PROJECTS), SERIES 2021B-1 (AMT) in the original aggregate principal amount of \$219,320,000 (the “Series 2021B-1 Bonds”).

The Series 2021B-1 Bonds are authorized pursuant to the Trust Indenture, dated as of March 1, 1997 (as supplemented as described herein, the “Terminal Trust Indenture”), by and between the City and The Bank of New York Mellon Trust Company, National Association (successor in trust to Chase Bank of Texas, National Association and to Texas Commerce Bank National Association), as trustee (the “Trustee”), as supplemented by a First Supplemental Terminal Trust Indenture, dated as of December 1, 1998, a Second Supplemental Terminal Trust Indenture, dated as of November 1, 2011, a Third Supplemental Terminal Trust Indenture, dated as of March 1, 2015, a Fourth Supplemental Terminal Trust Indenture, dated as of June 1, 2020, and a Fifth Supplemental Terminal Trust Indenture, dated as of August 1, 2021 (the “Fifth Supplemental Terminal Trust Indenture”).

The Series 2021B-1 Bonds mature, bear interest and are subject to redemption prior to maturity as set forth in the Series 2021B-1 Bonds and in the Fifth Supplemental Terminal Trust Indenture. Capitalized terms used herein but not otherwise defined shall have the meanings assigned to such terms in the Terminal Trust Indenture.

Proceeds of the Series 2021B-1 Bonds are to be used to finance the development, construction and acquisition of certain terminal facilities and improvements at George Bush Intercontinental Airport/Houston, which airport facilities have been leased by the City to United Airlines, Inc. (formerly known as Continental Airlines, Inc.) (“United”) pursuant to a Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects) between the City and United, dated as of November 14, 2011 and effective as of November 17, 2011, as amended and supplemented (the “Lease”), including by (i) that certain Amendment No. 1 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of February 21, 2013, (ii) that certain Amendment No. 2 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of April 10, 2015, (iii) that certain COVID-19 Airline Blanket Amendment dated as of April 27, 2020, and (iv) that certain Amendment No. 3 to the Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects) dated as of August 11, 2021 and effective as of the date hereof (the “Third Amendment to the Lease”).

We have acted as special tax counsel for the sole purpose of rendering an opinion with respect to the excludability of interest on the Series 2021B-1 Bonds from gross income for federal income tax purposes. We have assumed no responsibility with respect to the financial condition or capabilities of United or the City, including the Airport System, or the reporting or disclosure thereof in connection with the offer and sale of the Series 2021B-1 Bonds.

We acknowledge that West & Associates L.L.P., with whom our firm serves as co-bond counsel (“Co-Bond Counsel”) with respect to the Series 2021B-1 Bonds, is not responsible for our opinion as special tax counsel. The two firms are not part of a partnership and each firm is an independent entity.

In our capacity as special tax counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the authorization and issuance of the Series 2021B-1 Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the City Council of the City; customary and required certificates of officials, agents and representatives of the City, United and the Trustee; and other certified showings relating to the authorization, execution and delivery of the Fifth Supplemental Terminal Trust Indenture and the Third Amendment to the Lease, and the authorization and issuance of the Series 2021B-1 Bonds. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein.

In providing the opinions set forth herein, we have relied on representations and certifications of the City, United and other parties involved with the issuance of the Series 2021B-1 Bonds with respect to matters solely within the knowledge of the City, United and such other parties, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the covenants in the Terminal Trust Indenture and the Lease, including, but not limited to, covenants relating to the tax-exempt status of the Series 2021B-1 Bonds. Further, we have relied on the legal opinion of Co-Bond Counsel of even date herewith regarding the legality and validity of the Series 2021B-1 Bonds under the Constitution and laws of the State of Texas.

Based on such examination and in reliance on such representations, certifications and assumptions, it is our opinion that:

1. Interest on the Series 2021B-1 Bonds is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except with respect to interest on any Series 2021B-1 Bond for any period during which such Series 2021B-1 Bond is held by a person who is a “substantial user” of the facilities financed or refinanced with the proceeds of the Series 2021B-1 Bonds or a “related person” to such a “substantial user,” each within the meaning of section 147(a) of the Code; and
2. Interest on the Series 2021B-1 Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining a taxpayer’s alternative minimum tax liability.

Except as stated above, we express no opinion as to the amount of interest on the Series 2021B-1 Bonds or any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Series 2021B-1 Bonds. This opinion is specifically limited to the laws of the United States of America. Further, in the event that the representations of the City, United or any other parties upon which we have relied are determined to be inaccurate or incomplete, or the City or United fails to comply with the covenants in the Terminal Trust Indenture and the Lease, respectively, interest on the Series 2021B-1 Bonds could become includable in gross income for federal income tax purposes from the date of the original delivery of the Series 2021B-1 Bonds, regardless of the date on which the event causing such inclusion occurs.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.





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