NEW ISSUES
BOOK-ENTRY ONLY

Ratings: See "RATINGS" herein.

In the opinion of Pullman & Comley LLC, Bond Counsel to the Authority, rendered in reliance upon and assuming the accuracy of and continued compliance with certain representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019 A Bonds is not included in gross income for federal income tax purposes. In addition, (i) interest on the Series 2019 A Bonds is an item of tax preference for purposes of computing the individual alternative minimum tax, and (ii) interest on the Series 2019 A Bonds is not excludable from the gross income of owners who are "substantial users" of the facilities financed thereby. See "TAX MATTERS" herein.

In the opinion of Bond Counsel, under existing law, interest on the Series 2019 B Bonds is included in gross income for federal income tax purposes pursuant to the Code. See "TAX MATTERS" herein.

In the opinion of Bond Counsel, under existing statutes, interest on the Series 2019 A Bonds and the Series 2019 B Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See TAX MATTERS herein.

$151,100,000
CONNECTICUT AIRPORT AUTHORITY
Customer Facility Charge Revenue Bonds
(Ground Transportation Center Project)

$35,410,000
Series 2019 A
(AMT)

$115,690,000
Series 2019 B
(Federally Taxable)

Dated: Date of Delivery

Due: July 1 as shown on the inside cover

The Connecticut Airport Authority (the "Authority") is issuing its Customer Facility Charge Revenue Bonds (Ground Transportation Center Project), Series 2019 A (AMT) (the "Series 2019 A Bonds"), and Customer Facility Charge Revenue Bonds (Ground Transportation Center Project), Series 2019 B (Federally Taxable) (the "Series 2019 B Bonds," and together with the Series 2019 A Bonds, the "Series 2019 Bonds"), to (a) finance a portion of the costs of the development and construction of a consolidated rental car facility and related improvements at Bradley International Airport (the "Airport"), (b) fund a debt service reserve fund and coverage fund for the Series 2019 Bonds, (c) pay capitalized interest on the Series 2019 Bonds, and (d) pay the costs of issuance of the Series 2019 Bonds. See "PLAN OF FINANCE AND APPLICATION OF THE SERIES 2019 BOND PROCEEDS" herein.

The Series 2019 Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of the Trust Estate, which includes, among other things, Customer Facility Charges collected by the rental car companies operating at the Airport and remitted to the Trustee, as assignee of the Authority, monthly Facility Payments made by the rental car companies, and, under certain circumstances, Contingent Payments payable by the rental car companies operating at the Airport and remitted to the Trustee, as assignee of the Authority, and certain funds and accounts held by the Trustee under the Indenture. *No revenues of the Authority, other than the Customer Facility Charges, Facility Payments and the Contingent Payments, are pledged to the payment of the Series 2019 Bonds.* **NEITHER THE PROJECT (AS DEFINED HEREIN) NOR ANY OTHER PROPERTIES OF THE AUTHORITY ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2019 BONDS, AND NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY AND ANY AGENCY OF THE STATE OF CONNECTICUT NOR THE FULL FAITH AND CREDIT AND THE TAXING POWER OF THE STATE OF CONNECTICUT OR ANY POLITICAL SUBDIVISION OF THE STATE OF CONNECTICUT IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2019 BONDS. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS."**

The Series 2019 Bonds will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases and sales of the Series 2019 Bonds may be made in book-entry-form only in denominations of $5,000 and integral multiples thereof. Interest on the Series 2019 Bonds will be payable on January 1 and July 1, commencing on July 1, 2019. So long as the Series 2019 Bonds are held by DTC, the principal and redemption price of and interest on the Series 2019 Bonds will be payable by wire transfer to DTC, which in turn will be required to remit such principal, redemption price and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2019 Bonds, as more fully described herein. See "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM."

Maturity Schedule on Inside Front Cover

The Series 2019 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity, as more fully described herein. See "DESCRIPTION OF THE SERIES 2019 BONDS—Redemption Provisions."

The purchase and ownership of Series 2019 Bonds involve investment risk and may not be suitable for all investors. This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2019 Bonds. Investors are advised to read the entire Official Statement, including any portion hereof included by reference, to obtain information essential to the making of an informed decision, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS." Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

The scheduled payment of principal of and interest on the Series 2019 B Bonds maturing on July 1 of the years 2030 through 2032, inclusive (the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by **Assured Guaranty Municipal Corp.**

The Series 2019 Bonds are offered when, as and if issued by the Authority, subject to the approval of validity by Pullman & Comley, LLC, Bond Counsel to the Authority, and to certain other conditions. Certain legal matters will be passed upon for the Authority by its General Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Squire Patton Boggs (US) LLP. Frasca & Associates, LLC has served as Municipal Advisor to the Authority. It is expected that the delivery of the Series 2019 Bonds will be made through the facilities of DTC on or about April 9, 2019.

BofA Merrill Lynch **Citigroup** **Wells Fargo Securities**

Date of Official Statement: March 27, 2019

MATURITY SCHEDULE

$35,410,000
Connecticut Airport Authority
Customer Facility Charge Revenue Bonds
(Ground Transportation Center Project),
Series 2019 A (AMT)

$20,000,000 5.000% Term Bonds due July 1, 2049, Yield: 3.330%[1]; CUSIP No.[2]: 20773CAA4

$15,410,000 4.000% Term Bonds due July 1, 2049, Yield: 3.650%[1]; CUSIP No.[2]: 20773CAB2

$115,690,000
Connecticut Airport Authority
Customer Facility Charge Revenue Bonds
(Ground Transportation Center Project),
Series 2019 B (Federally Taxable)

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP No.[2]
2023	$ 1,840,000	2.866%	2.866%	20773CAC0
2024	3,495,000	2.916%	2.916%	20773CAD8
2025	3,595,000	3.024%	3.024%	20773CAE6
2026	3,705,000	3.174%	3.174%	20773CAF3
2027	3,820,000	3.281%	3.281%	20773CAG1
2028	3,945,000	3.431%	3.431%	20773CAH9
2029	4,085,000	3.531%	3.531%	20773CAJ5
2030[3]	4,225,000	3.611%	3.611%	20773CAK2
2031[3]	4,380,000	3.711%	3.711%	20773CAL0
2032[3]	4,540,000	3.811%	3.811%	20773CAM8
2033	4,715,000	3.981%	3.981%	20773CAN6
2034	4,900,000	4.081%	4.081%	20773CAP1

$27,710,000 4.132% Term Bonds due July 1, 2039, Yield: 4.132%; CUSIP No.[2]: 20773CAQ9

$40,735,000 4.282% Term Bonds due July 1, 2045, Yield: 4.282%; CUSIP No.[2]: 20773CAR7

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[1] Priced to the July 1, 2029 optional call date.

[2] Copyright, American Bankers Association. The CUSIP numbers are provided by S&P Global Ratings, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2019 Bonds, and the Authority and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2019 Bonds.

[3] Insured Bonds.

CONNECTICUT AIRPORT AUTHORITY BOARD

Thomas A. Sheridan (Chair)
Michael T. Long (Vice Chair)
Joseph Giulietti
David Lehman
Robert J. Aaronson
Brett C. Browchuk
J. Scott Guilmartin
Karen Jarmoc
Mary Ellen S. Jones
Matthew J. Kelly
Shawn Wooden

BRADLEY INTERNATIONAL AIRPORT MANAGEMENT

Kevin A. Dillon, A.A.E., Executive Director
Michael W. Shea, Deputy Executive Director - Finance
Sharon Traficante, Deputy Executive Director - Administration
Benjamin G. Parish, ACE, C.M., Director of Bradley Operations
Robert Bruno, Director of Planning, Engineering and Environmental Services
Paul K. Pernerewski, Jr., General Counsel

TRUSTEE

U.S. Bank National Association

BOND COUNSEL

Pullman & Comley, LLC

MUNICIPAL ADVISOR

Frasca & Associates, LLC

AIRPORT CONSULTANT

LeighFisher

No dealer, broker, salesperson or other person has been authorized by the Authority to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority. 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 the Series 2019 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2019 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. See "INTRODUCTION—Forward-Looking Statements" herein.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective 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 information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2019 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE SERIES 2019 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. THE SERIES 2019 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY COMMISSION. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2019 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER OR YIELDS HIGHER THAN THE PUBLIC OFFERING PRICES AND YIELDS STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES AND YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Series 2019 Bonds or the advisability of investing in the Series 2019 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and "Appendix H - Specimen Municipal Bond Insurance Policy".

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OFFICIAL STATEMENT

$151,100,000
CONNECTICUT AIRPORT AUTHORITY
Customer Facility Charge Revenue Bonds
(Ground Transportation Center Project)

$35,410,000	**$115,690,000**
Series 2019 A	**Series 2019 B**
(AMT)	**(Federally Taxable)**

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, inside cover pages, table of contents and appendices, is to provide certain information concerning the sale and delivery by the Connecticut Airport Authority (the "Authority") of its $35,410,000 Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project), Series 2019 A (AMT) (the "Series 2019 A Bonds"), and $115,690,000 Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project), Series 2019 B (Federally Taxable) (the "Series 2019 B Bonds," and together with the Series 2019 A Bonds, the "Series 2019 Bonds"). Capitalized terms used but not defined herein have the meanings ascribed to them in "APPENDIX B—FORM OF TRUST INDENTURE—Article I—DEFINITIONS."

Plan of Finance

Proceeds of the Series 2019 Bonds, along with certain other available moneys, will be used to (a) finance a portion of the costs of the development and construction of a consolidated rental car facility and related improvements at Bradley International Airport (the "Airport"), (b) fund a debt service reserve fund and coverage fund for the Series 2019 Bonds, (c) pay capitalized interest on the Series 2019 Bonds, and (d) pay the costs of issuance of the Series 2019 Bonds.

The project will consist of the development of the Ground Transportation Center (the "GTC") at the Airport which will replace the current airport rental car facilities, consolidating all rental car activities into one common facility. The GTC will consist of (i) a five-level parking ready return ("R/R") garage with three levels of Rental Car Company (as defined herein) parking including customer service areas containing rental car counters and offices, one level of vehicle staging and storage and one level of public parking, (ii) a Quick Turn-Around ("QTA") vehicle service building connected to the R/R garage via a series of ramps, a fuel distribution and storage system and Rental Car Company employee parking, and (iii) a Vertical Circulation Building ("VCB") with elevators, stairways, escalators, and restrooms with the first floor containing the Airport transit center. The ground area and improvements built at the Airport for the operations of rental car businesses will be known as the "CONRAC." In addition to the CONRAC, the project will consist of other elements, including (i) construction of elevated pedestrian walkways and an at-grade covered roadway crossing that will connect the GTC with the existing passenger terminal and public parking garage along with two elevators serving the ticketing level and bag claim level of Terminal A, (ii) construction of utility infrastructure improvements necessary for the construction and operation of the GTC, (iii) construction of an at-grade uncovered public parking lot, (iv) construction of a new entrance and exit to the existing parking garage, (v) construction of roadways and equipment required to provide access and egress from the new at-grade public parking lot and the covered public parking, and

(vi) demolition of the existing Hamilton Road Bridge over Schoephoester Road (collectively, the "Project"). See "PLAN OF FINANCE AND APPLICATION OF SERIES 2019 BOND PROCEEDS" and "THE PROJECT."

The Authority

The Authority is a public instrumentality and political subdivision of the state of Connecticut (the "State") established and created generally to manage, operate and develop the Airport and five other Authority owned general aviation airports located in the State. The Authority was organized and exists pursuant to the provisions of the 15-120bb et seq. of the Connecticut General Statutes (the "Act"). The Act establishes the duties and powers of the Authority, including the ability to: manage, operate and develop the Airport; issue bonds, bond anticipation notes and other obligations of the Authority; fix, establish, revise from time to time, charge and collect all rates, rents, fees and charges for the use of the Airport; and make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers, including, but not limited to, the granting of leasehold interests, concession, access and development rights and privileges, supplier, vendor, contractor and consultant contracts.

Bradley International Airport and Airport System

The Airport is located primarily in the Town of Windsor Locks, Connecticut, within 15 miles of both Hartford, Connecticut, to the south, and Springfield, Massachusetts, to the north. The total land area of the Airport is approximately 2,400 acres. Primary roadway access is provided via Interstate 91 and U.S. Highway 20. The terminal building, public parking, and most rental car companies are accessed via U.S. Highway 20.

Originally opened by the federal government as a military air base in 1941, "Bradley Field" was transferred to state control in the mid-1940's, and officially renamed "Bradley International Airport" in 1961. The existing passenger terminal (Terminal A), from which airlines operate domestic and international departing flights, includes 23 gates on two concourses. It opened in 1986 and was modernized and expanded in 2002. The Federal Inspection Station (Terminal B), separated from Terminal A by the Park and Walk lot, also opened in 2002.

The Airport was owned and operated by the State Department of Transportation until 2013 at which time the Airport was transferred to the Authority (the "Transfer"). The Transfer included all financial obligations associated with the Airport, including bonds and commercial paper notes issued for the improvement of the Airport.

In 2018, the Airport was the second largest in New England in terms of passengers, with over 6.4 million total passengers (enplaned and deplaned). In that year, it was the 50th busiest airport in the United States according to the Airports Council International. The two largest airlines operating at the Airport are American Airlines and Southwest Airlines; each of which accounted for approximately a quarter of enplaned passengers in 2018.

The Airport is currently home to the 103rd Airlift Wing of the Connecticut Air National Guard. It accommodates air cargo activities by dedicated all-cargo carriers (i.e., UPS, FedEx, Pinnacle Logistics and DHL Express), freight forwarding companies and passenger carriers. General aviation activity is supported by two full-service Fixed Base Operators ("FBO") and two aircraft maintenance providers. There are currently five surface parking lots and a parking garage for commercial use.

In addition to operating the Airport, the Authority is responsible for operating five other Authority-owned general aviation airports located in the State: Danielson Airport in Windham County, Groton-New London Airport in New London County, Hartford-Brainard Airport in Hartford County, Waterbury-Oxford Airport in New Haven County, and Windham Airport in Windham County (collectively, the "Airport System").

For the Fiscal Year ended June 30, 2018 ("Fiscal Year 2018"), approximately 99.5% of the passengers using the Airport were origination and destination ("O&D") passengers (passengers beginning or ending their trips at the Airport, as opposed to passengers connecting through the Airport to other cities). Additionally, for Fiscal Year 2018, there were approximately 404,000 rental car transactions at the Airport, which represented an 0.4% decrease in rental car transactions from the fiscal year ended June 30, 2017. As described herein, the Series 2019 Bonds will be secured by, among other things, Customer Facility Charges (as defined herein) collected from customers renting cars from those companies operating from the CONRAC. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS," "THE PROJECT," "THE AUTHORITY" and "BRADLEY INTERNATIONAL AIRPORT" herein.

Series 2019 Bonds and Pledge of Trust Estate

The Series 2019 Bonds are being issued pursuant to the Trust Indenture (the "Indenture"), to be dated as of April 1, 2019 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), the Act, and certain other provisions of Connecticut law. The board of directors of the Authority (the "Board") authorized the issuance of the Series 2019 Bonds pursuant to a resolution adopted by the Board on January 16, 2019 (the "Resolution"). See "DESCRIPTION OF THE SERIES 2019 BONDS."

The Series 2019 Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of the Trust Estate (as defined herein), which includes, among other things, (a) Customer Facility Charges collected by the Rental Car Companies and remitted to the Trustee, as assignee of the Authority, monthly Facility Payments made by the Rental Car Companies to the Trustee, as assignee of the Authority and, under certain circumstances, Contingent Payments (as defined herein) payable by the Rental Car Companies to the Trustee, as assignee of the Authority, and (b) certain funds and accounts held by the Trustee under the Indenture. No revenues of the Authority, other than the Customer Facility Charges, Facility Payments and the Contingent Payments, are pledged to the payment of the Series 2019 Bonds. Neither the Project nor any other properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Series 2019 Bonds, and neither the full faith and credit of the Authority and any agency of the State of Connecticut nor the full faith and credit of and the taxing power of the State of Connecticut or any political subdivision of the State of Connecticut is pledged to the payment of the principal of or interest on the Series 2019 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS."

Facility Payments payable by the Rental Car Companies are subject to suspension, if certain Debt Service Coverage thresholds are met, and to subsequent reinstatement in certain circumstances, as described below. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS – Facility Payments."

Lease and Development Agreement

On March 15, 2019, the Authority, as Option Grantor, and BDL CONRAC, LLC ("BDL CONRAC"), as Development Assignee of the Hertz Corporation, Avis Rent A Car System, LLC, and

Camrac, LLC ("Option Grantee RACs"), entered into a Lease and Development Agreement (the "Development Agreement"). The Development Agreement provides the obligations and rights for the Authority and BDL CONRAC related to the lease by the Authority of the Project Premises (as defined in the Development Agreement) to BDL CONRAC for the construction of the Project. During the term of the Development Agreement, BDL CONRAC has the exclusive obligation and right to develop and construct the GTC, with financing provided by the Authority, install fuel tanks and associated facilities and equipment, install signage to ensure safe and efficient operation of the Rental Car Companies, and install antennae incidental to Rental Car Companies operations at the GTC.

Conrac Solutions, LLC, the parent company of BDL CONRAC, is the developer, builder, and operator of several consolidated rental car facilities across the United States, with experience that ranges from pre-development and feasibility through financing strategies, design and construction and finally operations and capital project management. Over the past decade, Conrac Solutions, LLC has worked exclusively for rental car companies to find ways to more efficiently and effectively deliver, operate and maintain consolidated rental car facilities to the benefit of airports and rental car company customers. To achieve this goal, Conrac Solutions, LLC is segmented into three companies: (1) Conrac Solutions Capital, LLC provides financing solutions and asset management for consolidated rental car facility construction, management and operation; (2) Conrac Solutions Project Delivery, LLC meets clients' needs through integrating feasibility analyses, planning, design business terms, financing, construction and activation; and (3) Conrac Solutions Operators offers expertise in design consultation, project management, facility programming, CFC accounting and daily operation. Conrac Solutions, LLC's previous projects in the United States include Seattle-Tacoma International Airport, San Francisco Airport, San Diego International Airport, Portland International Airport, Bismarck Airport, Ted-Stevens International Airport, Austin-Bergstrom International Airport, Salt Lake City International Airport, Chicago Midway International Airport and Chicago O'Hare International Airport.

The Authority is responsible for providing BDL CONRAC with financing for the construction of the GTC in an amount to fund the agreed-upon Project budget. These funds shall be provided from collected and remitted Customer Facility Charges ("CFC Revenue") and the proceeds of the Series 2019 Bonds. Additionally, the Authority will fund up to $5 million of a Project Contribution to cover Project contingency costs incurred in excess of the Lump Sum Price under the Design-Build Contract (the "Design-Build Contract") between BDL CONRAC and Austin Commercial, LP. Austin Commercial, LP (the "General Contractor") is a design-build contractor specializing in consolidated rental car facilities, as further described below.

The Design-Build Contract between BDL CONRAC and the General Contractor provides for the design, construction and equipping of the Project, to become effective upon delivery of the Series 2019 Bonds to the Underwriters. Under the Design-Build Contract, the General Contractor is to provide complete design-build services for the design and construction of the Project based on 100% design development work (about 25% of construction plans) already accomplished by the same design-build team in the initial development of the Project. The General Contractor bears responsibility for design, which is expected to reduce financial and operational risks that could arise in the event of conflicts between the designer and the construction contractor. The stipulated Lump Sum Price ("LSP") of $195,900,000 was confirmed as reasonable by two independent professional cost estimators. The LSP represents a fixed rather than estimated price based upon item prices and estimated quantities, for which the General Contractor has made a firm commitment in order to complete the Project. Nevertheless, the Project budget includes contingency amounts for certain types of unforeseen conditions. The LSP covers all components of the Project, excluding certain tenant improvement work which is the responsibility of the respective Rental Car Companies under their Rental Car Lease and Operating Agreements. The Rental Car Companies have agreed to allow the General Contractor to perform the tenant improvement work under the Developer's oversight, thereby eliminating potential conflicts among multiple prime

contractors. All construction work is fully backed by payment and performance bonds, with contract provisions providing for payment of any surety bond proceeds to the Trustee, if necessary, to ensure Project completion.

Rental Car Lease and Operating Agreement

In March 2019, the Authority and each rental car company operating a rental car business serving Airport customers ("Rental Car Company" or "Rental Car Companies") entered into an agreement (the "Rental Car Lease and Operating Agreement" or "Rental Car Lease and Operating Agreements") regarding the Rental Car Company's non-exclusive rental car business at the GTC. The Rental Car Lease and Operating Agreements require each Rental Car Company to collect a Customer Facility Charge (also referred to herein as a "CFC" or "CFCs") per vehicle transaction-day on behalf of the Authority, which will be used to pay debt service on the Series 2019 Bonds issued for the GTC and meet the other requirements of the Indenture. Additionally, the Rental Car Companies are required to make monthly Facility Payments to the Trustee in equal monthly installments totaling $3.3 million annually. Facility Payments payable by the Rental Car Companies are subject to suspension, if certain Debt Service Coverage thresholds are met, and to subsequent reinstatement in certain circumstances, as described below. Pursuant to the Rental Car Lease and Operating Agreements, the Rental Car Companies also will be required to pay to the Authority a Contingent Payment to offset any difference between the CFC Revenue and Facility Payments for a fiscal year and the annual CFC Program Requirement for such fiscal year (the "Net CFC Deficiency") while the Agreement is in place.

The terms and obligations of the Rental Car Lease and Operating Agreements will become effective on the opening date of the GTC, and the Rental Car Lease and Operating Agreements will have an initial term of twenty (20) years, subject to two (2) five-year extensions, exercised by mutual agreement.

On and Off-Airport Rental Car Operating Agreements

Prior to the opening of the GTC, the Rental Car Companies currently operating at the Airport will continue to operate at the Airport pursuant to the On-Airport Service Center Site Interim Lease & Operating Agreement (the "On-Airport Rental Car Operating Agreements") existing and in effect between the Rental Car Companies and the Authority. Similarly, Rental Car Companies currently operating off of Airport premises will continue to operate pursuant to the Off-Airport Rental Car Operating Agreement (the "Off-Airport Rental Car Operating Agreements," together with the On-Airport Rental Car Operating Agreements, the "Prior Rental Car Operating Agreements") existing and in effect between the Airport Rental Car Companies and the Authority. Pursuant to the Prior Rental Car Operating Agreements, the Rental Car Companies are required to collect CFCs and to remit the CFC Revenue to the Authority (after the issuance of the Series 2019 Bonds, the Authority will direct the Rental Car Companies to remit CFC Revenue to the Trustee, as assignee of the Authority); however, the Rental Car Companies are not required to pay Contingent Payments or Facility Payments under the Prior Rental Car Operating Agreements. When the GTC opens, the Rental Car Companies will be subject to the terms of the Rental Car Lease and Operating Agreements and the Prior Rental Car Operating Agreements will terminate.

Other Airport Debt; CFC Revenue as Released Revenue under GARB Indenture

The Authority currently has outstanding $102,105,000 of State of Connecticut Bradley International Airport General Airport Revenue Refunding Bonds, Series 2011A and Series 2011B (the "Series 2011 GARB Bonds"), issued by the State pursuant to the Trust Indenture, dated as of March 1, 2001, as supplemented (the "GARB Indenture"), among the State, U.S. Bank National Association, as trustee, and

the Authority. In connection with the creation of the Authority, the Authority became a party to the GARB Indenture in 2013. The Series 2011 GARB Bonds are secured by the General Revenues, as defined in and pledged under the GARB Indenture. The Series 2019 Bonds are not issued pursuant to the GARB Indenture and are not secured by any revenues pledged under the GARB Indenture.

In accordance with the provisions of the GARB Indenture, the following category of revenues were withdrawn from General Revenues under the GARB Indenture and, from and after July 5, 2018, will be treated as Released Revenues as defined in and for all purposes of the GARB Indenture:

- all Bradley Airport Customer Facility Charge (CFC) Revenue, and

- any other revenues that may be derived by the Authority from time to time from or on behalf of the rental car companies or similar operators to support the construction, operation, maintenance and improvement of consolidated rental car facilities, including the financing and refinancing thereof.

Airport Parking Garage

The Authority currently owns and operates an approximately 3,450 space parking garage (the "Parking Garage") adjacent to the site of the GTC. The Parking Garage was financed by the issuance by the State of its State of Connecticut Bradley International Airport Special Obligation Parking Revenue Bonds, Series 2000 A (the "Series 2000 Parking Bonds"), currently outstanding in the principal amount of $22,330,000. The Parking Garage and Airport surface parking lots are operated by affiliates of Standard Parking Airport Services ("Standard Parking") pursuant to the Construction, Financing and Operating Special Facility Lease Agreement, dated as of March 1, 2000 (the "Parking Lease"), between the State and APCOA Bradley Parking Company, LLC. In connection with the transfer of the Parking Garage and the surface parking lots from the State to the Authority in 2015, the State, as lessor, assigned the Parking Lease to the Authority. The Series 2000 Parking Bonds remain obligations of the State, but are secured by parking revenues generated by the operation of the Parking Garage and by a Guaranty from Standard Parking. The Series 2019 Bonds are not issued pursuant to the Parking Indenture and are not secured by any revenues pledged under the Parking Indenture.

Standard Parking, the operator of the existing public parking garage, will operate the public parking portion of the GTC.

Report of the Airport Consultant

Included as Appendix A to this Official Statement is a Report of the Airport Consultant dated March 14, 2019 (the "Report of the Airport Consultant"), prepared by LeighFisher (the "Airport Consultant"), in conjunction with the issuance of the Series 2019 Bonds. The Report of the Airport Consultant includes, among other things: a description of the Project; a description of the underlying economic base of the Airport's air service region; a description of historical air traffic activity at the Airport; the Airport Consultant's projections for air traffic activity at the Airport through Fiscal Year 2025 and a description of the assumptions on which such projections were based; a description of car rental activity at the Airport; the Airport Consultant's projections for car rental activity at the Airport through Fiscal Year 2025 and a description of the assumptions on which such projections were based; and the Airport Consultant's projections of debt service coverage through Fiscal Year 2025 and a description of the assumptions upon which such projections were based. Inevitably, some assumptions used to develop the projections in the Report of the Airport Consultant will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results may differ from the forecast, and those differences may be material. The projections contained in the Report of the Airport Consultant are not

necessarily indicative of future performance, and neither the Airport Consultant nor the Authority assume any responsibility for the failure to meet such projections. The Report of the Airport Consultant is an integral part of this Official Statement and should be read in its entirety. The Report of the Airport Consultant has not been updated to reflect the final pricing terms of the Series 2019 Bonds or other changes that may have occurred since March 14, 2019, the date of the Report of the Airport Consultant. See "—Forward-Looking Statements," "REPORT OF THE AIRPORT CONSULTANT" "CERTAIN INVESTMENT CONSIDERATIONS—Report of the Airport Consultant" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Continuing Disclosure

The Authority will covenant for the benefit of the owners and beneficial owners of the Series 2019 Bonds to annually provide, or cause to be provided, certain financial information and operating data concerning the Authority, the Airport System, Obligated Persons, if any, including rental car activity at the Airport, and to provide, or cause to be provided, notices of certain enumerated events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System (the "EMMA System") or any successor method designated by the MSRB, pursuant to the requirements of Rule 15c2-12 of the Securities Exchange Commission. See "CONTINUING DISCLOSURE" and "APPENDIX E—FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Investment Considerations

The purchase and ownership of the Series 2019 Bonds involve investment risks. Prospective purchasers of the Series 2019 Bonds should read this Official Statement in its entirety. For a discussion of certain risks relating to the Series 2019 Bonds, see "CERTAIN INVESTMENT CONSIDERATIONS."

Forward-Looking Statements

The statements contained in this Official Statement that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions or strategies regarding the future. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "project," "forecast," "will likely result," "are expected to," "will continue," "is anticipated," "intend" or other similar words. Prospective investors should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the Authority's actual financial and operating results likely will differ, and could differ materially, from those in such forward-looking statements.

The forward-looking statements herein are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including rental car companies, transportation network companies, airlines, customers, suppliers and competitors, among others, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any such assumptions could be inaccurate and, therefore, there can

be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Additional Information

Brief descriptions of the Series 2019 Bonds, the Indenture, the Development Agreement, the Rental Car Lease and Operating Agreements and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, laws, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, law, report or other instrument. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any of the Series 2019 Bonds. The Authority maintains a website, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Series 2019 Bonds.

PLAN OF FINANCE AND APPLICATION OF SERIES 2019 BOND PROCEEDS

Plan of Finance

Proceeds of the Series 2019 Bonds, along with certain other available moneys, will be used to (a) finance the costs of the development and construction of the Project, (b) fund the interest accruing on the Series 2019 Bonds through July 1, 2020, (c) fund deposits to the Debt Service Reserve Fund (as defined herein) and the Coverage Fund (as defined herein), and (d) pay the costs of issuance of the Series 2019 Bonds.

The Project will consist of the development of the GTC at the Airport which will replace the current airport rental car facilities, consolidating all rental car activities into one common facility and alleviating traffic congestion on the streets surrounding the Airport. The GTC will consist of (i) a five-level parking R/R garage with three levels of Rental Car Company (as defined herein) parking including customer service areas containing rental car counters and offices, one level of vehicle staging and storage and one level of public parking, (ii) a QTA vehicle service building connected to the R/R garage via a series of ramps, a fuel distribution and storage system and Rental Car Company employee parking, and (iii) a VCB with elevators, stairways, escalators, and restrooms with the first floor containing the Airport transit center. The ground area and improvements built at the Airport for the operations of rental car businesses will be known as the "CONRAC." In addition to the CONRAC, the Project will consist of other elements, including (i) construction of elevated pedestrian walkways and an at-grade covered roadway crossing that will connect the GTC with the existing passenger terminal and public parking garage along with two elevators serving the ticketing level and bag claim level of Terminal A, (ii) construction of utility infrastructure improvements necessary for the construction and operation of the GTC, (iii) construction of an at-grade uncovered public parking lot, (iv) construction of a new entrance and exit to the existing parking garage (v) construction of roadways and equipment required to provide access and egress from the new at-grade public parking lot and the covered public parking and (vi) demolition of the existing Hamilton Road Bridge over Schoephoester Road. For additional information on the development, construction, equipping and improvement of the CONRAC and the other projects included in the GTC, see "THE PROJECT."

Project Funding Sources

	GTC
Proceeds of Series 2019 Bonds	$ 132,046,345.42
Previously Collected CFC Revenue and CFC Revenue to be Collected during Construction Period[1]	$ 77,232,654.58
Total	$ 209,279,000.00

[1] At the time of issuance of the Series 2019 Bonds, the Authority will deposit approximately $46.3 million of previously collected CFC Revenue with the Trustee.

Application of Series 2019 Bond Proceeds

The proceeds of the Series 2019 Bonds will be used to (a) finance a portion of the costs of the Project, (b) fund the interest accruing on the Series 2019 Bonds through July 1, 2020, (c) fund deposits to the Debt Service Reserve Fund and the Coverage Fund and (d) pay the costs of issuance of the Series 2019 Bonds. The following table sets forth the estimated application of the proceeds of the Series 2019 Bonds:

	Series 2019 A Bonds	Series 2019 B Bonds	Total
Sources			
Principal Amount	$35,410,000.00	$115,690,000.00	$151,100,000.00
Original Issue Premium	3,330,136.00	0.00	3,330,136.00
Total Sources	$38,740,136.00	$115,690,000.00	$154,430,136.00
Uses			
Deposit to Series 2019 Construction Accounts	$33,133,452.00	$98,912,893.42	$132,046,345.42
Deposit to Series 2019 Debt Service Accounts[1]	1,984,580.00	5,587,537.60	7,572,117.60
Deposit to Debt Service Reserve Fund	3,383,540.57	7,994,290.36	11,377,830.93
Deposit to Coverage Fund	0.00	2,402,672.59	2,402,672.59
Costs of Issuance[2]	238,563.43	792,606.03	1,031,169.46
Total Uses	$38,740,136.00	$115,690,000.00	$154,430,136.00

[1] Represents a portion of the interest accruing on the Series 2019 Bonds.
[2] Includes Underwriters' discount, bond insurance, legal and other costs of issuance.

DESCRIPTION OF THE SERIES 2019 BONDS

General

The Series 2019 Bonds will bear interest at the rates and mature on the dates set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Series 2019 Bonds will be dated their date of delivery, and will bear interest from that date, payable semi-annually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing on July 1, 2019. Interest due and payable on the Series 2019 Bonds on any Interest Payment Date will be paid to the registered owner as of the Record Date (Cede & Co., so long as the book-entry system with The Depository Trust Company ("DTC") is in effect). Each Series 2019 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2019 Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2019 Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before April 9, 2019, in which event such Series 2019 Bond will bear interest from its date of delivery. If interest on the Series 2019 Bonds is in default, Series 2019 Bonds will bear interest from the Interest Payment Date to which interest has been paid in full on the Series 2019 Bonds surrendered.

The Series 2019 Bonds will be issued in denominations of $5,000 or integral multiples thereof. The Series 2019 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Series 2019 Bonds. Individual purchases may be made in book-entry-form only. Purchasers will not receive certificates representing their interest in the Series 2019 Bonds purchased. So long as Cede & Co., as a nominee of DTC, is the registered owner of the Series 2019 Bonds, references herein to the Holders or registered owners means Cede & Co., and does not mean the Beneficial Owners of the Series 2019 Bonds.

So long as Cede & Co. is the registered owner of the Series 2019 Bonds, principal and redemption price of and interest on the Series 2019 Bonds will be payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC Participants, for subsequent disbursement to the Beneficial Owners. See "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM."

Redemption Provisions

Optional Redemption.

Series 2019 A Bonds. The Series 2019 A Bonds are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 2029 at a redemption price equal to 100% of the principal amount of the Series 2019 A Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Series 2019 B Bonds. The Series 2019 B Bonds maturing on or after July 1, 2030 are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 2029 at a redemption price equal to 100% of the principal amount of the Series 2019 B Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption.

Series 2019 A Term Bonds. The Series 2019 A Bond maturing on July 1, 2049 (with a coupon of 5.00%) is subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

5.00% Series 2019 A Term Bond

Redemption Date (July 1)	Principal Amount
2045	$ 500,000
2046	4,525,000
2047	4,750,000
2048	4,990,000
2049*	5,235,000

* Final Maturity.

The Series 2019 A Bond maturing on July 1, 2049 (with a coupon of 4.00%) is subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

4.00% Series 2019 A Term Bond

Redemption Date (July 1)	Principal Amount
2045	$ 500,000
2046	3,510,000
2047	3,655,000
2048	3,795,000
2049*	3,950,000

* Final Maturity.

Except as otherwise provided in the Indenture, on or before the forty-fifth (45^{th}) day prior to any mandatory sinking fund redemption date with respect to the Series 2019 A Bonds, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine) an aggregate principal amount of the Series 2019 A Bonds equal to the amount for such year as set forth in the table above and shall call such aggregate principal amount of the Series 2019 A Bonds (in Authorized Denominations) for redemption and give notice of such call.

In the event that a portion, but not all of the Series 2019 A Bonds are redeemed pursuant to optional redemption, then the principal amount of any remaining mandatory sinking fund redemptions applicable to the Series 2019 A Bonds, as applicable, shall be proportionally reduced (subject to the Trustee making such adjustments as it deems necessary to be able to affect future redemptions of the Series 2019 A Bonds in Authorized Denominations).

At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60^{th}) day next preceding any mandatory sinking fund redemption date for the Series 2019 A Bonds, it may (i) deliver to the Trustee for cancellation Series 2019 A Bonds (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (ii) specify a principal amount of the Series 2019 A Bonds (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Series 2019 A Bond so purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to pay the principal of the Series 2019 A Bond on such mandatory sinking fund redemption date. In the event the Authority redeems any of the Series 2019 A Bonds, the Authority will provide the Trustee a revised mandatory sinking fund schedule.

See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS—Flow of Funds" for a description of the deposits that are made to the Series 2019 A Debt Service Account to pay the principal of the Series 2019 A Term Bonds on the applicable mandatory sinking fund redemption dates.

Series 2019 B Term Bonds. The Series 2019 B Bond maturing on July 1, 2039 is subject to mandatory sinking fund redemption prior to maturity in part (on a basis as described below under "Selection of Series 2019 B Bonds for Redemption; Series 2019 B Bonds Redeemed in Part"), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Series 2019 B Term Bond Maturing on July 1, 2039

Redemption Date (July 1)	Principal Amount
2035	$ 5,100,000
2036	5,315,000
2037	5,535,000
2038	5,760,000
2039*	6,000,000

* Final Maturity.

The Series 2019 B Bond maturing on July 1, 2045 is subject to mandatory sinking fund redemption prior to maturity in part (on a basis as described below under "Selection of Series 2019 B Bonds for Redemption; Series 2019 B Bonds Redeemed in Part"), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Series 2019 B Term Bond Maturing on July 1, 2045

Redemption Date (July 1)	Principal Amount
2040	$ 6,245,000
2041	6,515,000
2042	6,795,000
2043	7,085,000
2044	7,390,000
2045*	6,705,000

* Final Maturity.

Except as otherwise provided in the Indenture, on or before the forty-fifth (45th) day prior to any mandatory sinking fund redemption date with respect to the Series 2019 B Bonds, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine) an aggregate principal amount of the Series 2019 B Bonds equal to the amount for such year as set forth in the table above and shall call such aggregate principal amount of the Series 2019 B Bonds (in Authorized Denominations) for redemption and give notice of such call.

In the event that a portion, but not all, of the Series 2019 B Term Bonds are redeemed pursuant to optional redemption (as described above under "Optional Redemption—Series 2019 B Bonds"), then the principal amount of any remaining mandatory sinking fund redemptions applicable to such Series 2019 B Term Bonds will be proportionally reduced (subject to the Trustee making such adjustments as it deems necessary to be able to affect future redemptions of such Series 2019 B Term Bonds in Authorized Denominations).

At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date for the Series 2019 B Term Bonds, as applicable, it may (i) deliver to the Trustee for cancellation such Series 2019 B Term Bonds, as applicable, or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (ii) specify a principal amount of such Series 2019 B Term Bonds, as applicable, or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2019 B Term Bond, as applicable, or portion thereof so purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to pay the principal of such Series 2019 B Term Bond on such mandatory sinking fund redemption date. In the event the Authority redeems any of the Series 2019 B Term Bonds, the Authority will provide the Trustee a revised mandatory sinking fund schedule, if applicable.

See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS—Flow of Funds" for a description of the deposits that are made to the Series 2019 B Debt Service Account to pay the principal of the Series 2019 B Term Bonds on the applicable mandatory sinking fund redemption dates.

Extraordinary Mandatory Redemption of the Series 2019 Bonds.

In the event of casualty or condemnation of the Project, as described in the Indenture, the Series 2019 Bonds shall be subject to extraordinary mandatory redemption at the direction of the Authority in whole or in part on the earliest date following the date for which notice of redemption can be given as provided in the Indenture, at a price equal to the principal amount of Series 2019 Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium, from available amounts and such other amounts permitted or required to be applied to such redemption under the Indenture.

Notices of Redemption to Holders; Conditional Notice of Optional Redemption. The Trustee will give notice of redemption, in the name of the Authority, to Holders affected by redemption (or DTC, so long as the book-entry system with DTC is in effect) at least 30 days but not more than 60 days before each redemption date and send such notice of redemption by first class mail (or with respect to Series 2019 Bonds held by DTC by such means as required by DTC) to each owner of a Series 2019 Bond to be redeemed; each such notice will be sent to the Holder's registered address. The Authority will give notice to the Trustee at least forty (40) days before the redemption date, provided that the Trustee may, at its option, waive such notice or accept notice at a later date.

Each notice of redemption shall specify the Series, the issue date, the maturity date, the interest rate and the CUSIP number of each Series 2019 Bond to be redeemed (if less than all Series 2019 Bonds of a Series, maturity date and interest rate are called for redemption, the numbers assigned to the Series 2019 Bonds to be redeemed), the principal amount to be redeemed, the date fixed for redemption, the redemption price (or the formula that will be used to calculate the redemption price on the redemption date), the place or places of payment, the Trustee's name, that payment will be made upon presentation and surrender of the Series 2019 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

The Authority may provide that, if at the time of mailing of notice of an optional redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Series 2019 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business one (1) Business Day prior to the scheduled redemption date, and such notice shall be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption shall be canceled and on such cancellation date notice shall be mailed to the Holders of such Series 2019 Bonds to be redeemed in the manner provided in this Section.

Failure to give any required notice of redemption as to any particular Series 2019 Bonds will not affect the validity of the call for redemption of any Series 2019 Bonds in respect of which no failure occurs. Any notice sent as provided in the Indenture will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Series 2019 Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. In the event that funds are deposited with the Trustee sufficient for redemption, interest on the Series 2019 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

Selection of Series 2019 A Bonds for Redemption; Series 2019 A Bonds Redeemed in Part.

The Series 2019 A Bonds are subject to redemption in such order of maturity and interest rate (except mandatory sinking fund payments on the Series 2019 A Bonds) as the Authority may direct and by lot within a maturity and interest rate, selected in such manner as the Trustee (or DTC, as long as DTC is the Securities Depository for the Series 2019 A Bonds) shall deem appropriate.

Upon surrender of a Series 2019 A Bond to be redeemed, in part only, the Trustee will authenticate for the Holder a new Series 2019 A Bond, of the same maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2019 A Bond surrendered.

Selection of Series 2019 B Bonds for Redemption; Series 2019 B Bonds Redeemed in Part.

If fewer than all of the Series 2019 B Bonds are called for prior redemption, the particular Series 2019 B Bonds or portions thereof to be redeemed shall be selected by the Trustee at the direction of the Authority on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Series 2019 B Bonds are Book-Entry Bonds, the selection for redemption of such Series 2019 B Bonds will be made in accordance with the operational arrangements of DTC then in effect. The Authority shall not provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Series 2019 B Bonds on such basis. If the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2019 B Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

If the Series 2019 B Bonds are not Book-Entry Bonds and fewer than all of the Series 2019 B Bonds are to be redeemed, the Series 2019 B Bonds to be redeemed shall be selected by the Trustee at the direction of the Authority on a pro rata pass-through distribution of principal basis among all of the Holders of the Series 2019 B Bonds based on the principal amount of Series 2019 B Bonds owned by such Holders.

Upon surrender of a Series 2019 B Bond to be redeemed, in part only, the Trustee will authenticate for the Holder a new Series 2019 B Bond of the same maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2019 B Bond surrendered.

DEBT SERVICE REQUIREMENTS OF SERIES 2019 BONDS

The following table sets forth the debt service requirements for the Series 2019 A Bonds and the Series 2019 B Bonds.

Debt Service Requirements
Series 2019 A Bonds and Series 2019 B Bonds[1]

Period Ending July 1	Series 2019 A Bonds[2]			Series 2019 B Bonds[2]			Total Debt Service on Series 2019 Bonds
	Principal Requirements	Interest Requirements[2]	Total	Principal Requirements	Interest Requirements[2]	Total	
2019		$ 368,180	$ 368,180		$ 1,036,602	$ 1,036,602	$ 1,404,782
2020		1,616,400	1,616,400		4,550,936	4,550,936	6,167,336
2021		1,616,400	1,616,400		4,550,936	4,550,936	6,167,336
2022		1,616,400	1,616,400		4,550,936	4,550,936	6,167,336
2023		1,616,400	1,616,400	$ 1,840,000	4,550,936	6,390,936	8,007,336
2024		1,616,400	1,616,400	3,495,000	4,498,201	7,993,201	9,609,601
2025		1,616,400	1,616,400	3,595,000	4,396,287	7,991,287	9,607,687
2026		1,616,400	1,616,400	3,705,000	4,287,574	7,992,574	9,608,974
2027		1,616,400	1,616,400	3,820,000	4,169,978	7,989,978	9,606,378
2028		1,616,400	1,616,400	3,945,000	4,044,643	7,989,643	9,606,043
2029		1,616,400	1,616,400	4,085,000	3,909,290	7,994,290	9,610,690
2030		1,616,400	1,616,400	4,225,000	3,765,049	7,990,049	9,606,449
2031		1,616,400	1,616,400	4,380,000	3,612,484	7,992,484	9,608,884
2032		1,616,400	1,616,400	4,540,000	3,449,942	7,989,942	9,606,342
2033		1,616,400	1,616,400	4,715,000	3,276,923	7,991,923	9,608,323
2034		1,616,400	1,616,400	4,900,000	3,089,218	7,989,219	9,605,619
2035		1,616,400	1,616,400	5,100,000	2,889,252	7,989,250	9,605,650
2036		1,616,400	1,616,400	5,315,000	2,678,518	7,993,518	9,609,918
2037		1,616,400	1,616,400	5,535,000	2,458,902	7,993,902	9,610,302
2038		1,616,400	1,616,400	5,760,000	2,230,196	7,990,196	9,606,596
2039		1,616,400	1,616,400	6,000,000	1,992,192	7,992,193	9,608,593
2040		1,616,400	1,616,400	6,245,000	1,744,272	7,989,273	9,605,673
2041		1,616,400	1,616,400	6,515,000	1,476,862	7,991,862	9,608,262
2042		1,616,400	1,616,400	6,795,000	1,197,890	7,992,890	9,609,290
2043		1,616,400	1,616,400	7,085,000	906,928	7,991,928	9,608,328
2044		1,616,400	1,616,400	7,390,000	603,548	7,993,548	9,609,948
2045	$ 1,000,000	1,616,400	2,616,400	6,705,000	287,108	6,992,108	9,608,508
2046	8,035,000	1,571,400	9,606,400				9,606,400
2047	8,405,000	1,204,750	9,609,750				9,609,750
2048	8,785,000	821,050	9,606,050				9,606,050
2049	9,185,000	419,750	9,604,750				9,604,750
Total	$35,410,000	$46,411,530	$81,821,530	$115,690,000	$80,205,602	$195,895,602	$277,717,132

[1] Numbers may not total due to rounding to nearest dollar.
[2] Includes interest on the Series 2019 Bonds through July 1, 2020, to be paid from a portion of the proceeds of the Series 2019 Bonds.
Source: Connecticut Airport Authority and the Authority's Municipal Advisor.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS

General

The Series 2019 Bonds will be issued under the Indenture. Under the Indenture, the Authority may issue additional bonds on a parity with the Series 2019 Bonds ("Additional Bonds") upon the satisfaction of certain conditions. See "—Additional Bonds" below. The Series 2019 Bonds together with any Additional Bonds are collectively the "Bonds." All Additional Bonds shall be payable and secured equally and ratably and on a parity (except as to timing of payment) with the Series 2019 Bonds and any Additional Bonds theretofore or thereafter issued and shall be entitled to the same benefits and security of the Indenture. The Indenture also permits the issuance of Subordinate Bonds; none of which have been issued. Nothing in the Indenture prohibits the Authority from issuing bonds secured by CFCs,

Facility Payments and Contingent Payments which are subordinate to the Bonds or bonds secured by other funds lawfully available to the Authority.

The summary of the security and sources of payment for the Series 2019 Bonds set forth herein is qualified in its entirety by and reference is hereby made to Appendix B hereto and the Indenture, which set forth in further detail provisions relating to the security for the Series 2019 Bonds.

Special Limited Obligations

The Series 2019 Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of the Trust Estate, which includes, among other things, (a) CFC Revenue collected by the Rental Car Companies and remitted to the Trustee, as assignee of the Authority, monthly Facility Payments made by the Rental Car Companies to the Trustee, as assignee of the Authority, and, under certain circumstances, Contingent Payments payable by the Rental Car Companies to the Trustee, as assignee of the Authority, and (b) certain funds and accounts held by the Trustee under the Indenture.

No revenues of the Authority, other than the CFC Revenue, Facility Payments and the Contingent Payments, are pledged to the payment of the Series 2019 Bonds. **Neither the Project nor any other properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Series 2019 Bonds, and neither the full faith and credit of the Authority or agency of the State, nor the full faith and credit or taxing power of the State or any political subdivision of the State is pledged to the payment of the principal of or interest on the Series 2019 Bonds.**

Pledge of Trust Estate

Pursuant to the Indenture, the principal of and interest on the Series 2019 Bonds will be secured by a pledge of, and first lien on all rights, title and interest of the Authority in the Trust Estate. "Trust Estate" is defined under the Indenture as (a) all CFC Revenue received or receivable by the Authority or the Trustee, as assignee of the Authority, together with interest thereon, (b) all Contingent Payments and Facility Payments paid by the Rental Car Companies to the Trustee, as assignee of the Authority, together with interest thereon pursuant to the Rental Car Lease and Operating Agreements or to any other agreement entered into by the Authority which entitles the Authority to collect Contingent Payments and/or Facility Payments (c) all casualty insurance proceeds and condemnation awards required to be applied pursuant to the Indenture, (d) with respect to the Series 2019 Bonds, all moneys, investments and proceeds of Series 2019 Bonds on deposit in the Construction Fund (subject to any restrictions set forth in the Series 2019 A Tax Certificate or any other tax compliance certificate entered into by the Authority in connection with the issuance of Bonds as Tax-Exempt Bonds and excluding moneys held in the CFC Project Account and the Project Contribution Account and amounts encumbered or otherwise allocated by the Authority to or necessary for the completion of a Project), the CFC Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, the Renewal and Replacement Fund and the CFC Stabilization Fund and interest and investment earnings thereon (excluding interest and investment earnings in the CFC Project Account and the Project Contribution Account), subject to the provisions of the Indenture regarding moneys for the benefit of the Holders of a particular Series of Bonds, and (e) all other rights granted, pledged or assigned by the Authority to the Trustee hereunder and including, but not limited to, the collection and remittance of the CFC Revenue, Contingent Payments and Facility Payments to the Trustee, as assignee of the Authority. The Trust Estate shall not include moneys, investments and proceeds in a Rebate Fund or the CFC Surplus Fund.

"CFC" or "Customer Facility Charges" is defined in the Indenture to mean the customer facility charge imposed by the Authority pursuant to the CFC Resolution (as defined herein) on rental car

transactions per transaction day occurring on or about the Airport and required to be collected by the Rental Car Companies (and prior to the Commencement Date, by any Person or Persons that operates a rent-a-car business at the Airport and has entered into an On-Airport Service Center Site Interim Lease and Operating Agreement or an Off-Airport Rental Car Operating Agreement), and remitted to the Trustee, as assignee of the Authority, as further described and provided in the Rental Car Lease and Operating Agreements.

"Contingent Payments" is defined in the Indenture to mean an amount determined by the Authority in accordance with the Rental Car Lease and Operating Agreement to offset the Net CFC Deficiency. The "Net CFC Deficiency" means the CFC Deficiency for a Fiscal Year plus all CFC funds held in the CFC Stabilization Fund that the Authority has made available to offset the CFC Deficiency. See "—Flow of Funds" below. See also "APPENDIX C—FORM OF RENTAL CAR LEASE AND OPERATING AGREEMENT—Article 7.K. – Contingent Payment."

"Facility Payments" is defined in the Indenture to mean a monthly payment to be made by the On-Airport Rental Car Companies to the Trustee pursuant to the Rental Car Lease and Operating Agreement. Rental Car Companies will responsible for making a monthly Facility Payment to the Trustee in equal monthly installments for a total of $3.3 million annually. Facility Payments will be suspended if Debt Service Coverage, excluding the value of the aggregate Facility Payments and excluding the Coverage Fund, meets or exceeds 1.5 times for three consecutive years. Following suspension of the Facility Payments, if Debt Service Coverage, excluding the value of aggregate Facility Payments and the Coverage Fund, fall below 1.5 times, the Facility Payments will be reinstated at the same amounts as prior to suspension.

Customer Facility Charges

CFCs Imposed by the Authority. Pursuant to the resolution adopted by the board of directors of the Authority on April 2, 2018 (the "CFC Resolution"), the Authority increased the CFC on rental car customers at the Airport to the rate of $8.40 per vehicle per transaction day, which went into effect on February 1, 2019.

The CFC is collected by the Rental Car Companies from their customers and subsequently transferred to the Authority (or to the Trustee, as assignee of the Authority, as directed by the Authority).

Each of the Rental Car Companies has entered into a Rental Car Lease and Operating Agreement. Pursuant to the Rental Car Lease and Operating Agreements, each of the Rental Car Companies has agreed to (a) collect a daily CFC on all vehicle rental transactions with Airport Customers (as defined in "APPENDIX C—FORM OF RENTAL CAR LEASE AND OPERATING AGREEMENTS—Definitions"), (b) collect the CFC at the time the first payment is made by the Airport Customer for a qualifying vehicle rental transaction, and (c) remit the full amount of the CFC Revenue to the Trustee, as assignee of the Authority, regardless of whether or not the full amount of such CFC is actually collected by the Rental Car Companies from the person who rented the vehicle.

Pursuant to the Rental Car Lease and Operating Agreements, each Rental Car Company has agreed that the CFC Revenue is not income, revenue or any other asset of the Rental Car Company; that the Rental Car Company has no ownership or property interest in the CFC Revenue; and that the Rental Car Company has waived any claim to an equitable or ownership interest in the CFC Revenue. The Rental Car Companies have agreed that they hold the CFC Revenue in trust for the benefit of the Authority, and that the Authority (or the Trustee, as assignee of the Authority) has complete possessory and ownership rights to the CFC Revenue. Additionally, pursuant to the Rental Car Lease and Operating Agreements, the Rental Car Companies have agreed to remit the CFC Revenue to the Trustee, as assignee

of the Authority, on a monthly basis on or before the 20th day of each month following the month in which the CFC Revenue was collected; provided, however, in the event that it is determined that the Rental Car Companies must, as a matter of law, remit the CFC Revenue more frequently, the Rental Car Companies have agreed to remit such CFC Revenue with such frequency as required by law.

CFC Rate Adjustment. If the Authority, in its sole discretion after notice to and consultation with the Rental Car Companies, determines that it is necessary to adjust the CFC rate in order to pay for the Annual CFC Program Requirements (as defined in the Rental Car Lease and Operating Agreements) and to produce surpluses, upon at least thirty (30) days written notice from the Authority, the Rental Car Companies shall be obligated to include the adjusted CFC rate in all forms of reservations no later than twenty (20) days before the effective date of the change, and charge and collect the CFC reflecting the adjusted CFC rate for all car rental periods that begin on or after the effective date of CFC rate change regardless of when the rental car reservation was created. See "THE PROJECT – Rental Car Lease and Operating Agreements" for a discussion of the process that the Authority is required to follow to increase the CFC rate, and "APPENDIX A – Report of the Airport Consultant – Exhibit 2" for historical information with respect to CFC Revenue collections and CFC rates.

The Series 2019 Bonds are not an indebtedness or other liability of the Rental Car Companies and the Rental Car Companies are not liable for any payments relating to the Series 2019 Bonds, other than the timely remittance of the CFC Revenue collected by the Rental Car Companies from their respective Airport Customers to the Trustee for the benefit of the Authority, monthly Facility Payments to the Trustee for the benefit of the Authority and, under certain circumstances, the payment of Contingent Payments.

Contingent Payments

In the event CFC Revenue received during a Fiscal Year and available amounts on deposit in the CFC Surplus Fund are insufficient to fully fund any of the required deposits as described in the FIRST through SEVENTH clauses under "—Flow of Funds" below, pursuant to the Rental Car Lease and Operating Agreements, each of the Rental Car Companies has agreed to pay to the Trustee, as assignee of the Authority, its prorated share of Contingent Payments. The pro rata share is the share equal to the percentage of a Rental Car Company's brand family's exclusive use of the premises that it is actually leasing or subleasing in relation to the total exclusive use of the premises actually leased or subleased in the CONRAC (as further described in the Rental Car Lease and Operating Agreements). Pursuant to the Rental Car Lease and Operating Agreements, the Rental Car Companies will be required to pay to the Authority a Contingent Payment to offset the Net CFC Deficiency for any fiscal year while the Rental Car Lease and Operating Agreements are in effect. The Contingent Payment will commence upon the first day of the month following thirty (30) day's prior written notice from the Authority to the Rental Car Companies. Upon satisfaction of certain conditions, the Authority may reimburse Contingent Payments paid by the Rental Car Companies from available funds in the CFC Surplus Fund. See "APPENDIX C – Form of Rental Car Lease and Operating Agreements – Section 7.I."

Facility Payments

Pursuant to the Rental Car Lease and Operating Agreements, the Rental Car Companies will make a monthly Facility Payment to the Trustee in equal monthly installments totaling $3.3 million annually. Each Rental Car Company will be responsible for its pro rata share of the Facility Payments. The pro rata share is the share equal to the percentage of a Rental Car Company's brand family's exclusive use of the premises that it is actually leasing or subleasing in relation to the total exclusive use of the premises actually leased or subleased in the CONRAC (as further described in the Rental Car Lease and Operating Agreements). The Facility Payments will be suspended if Debt Service Coverage,

excluding the value of aggregate Facility Payments and the Coverage Fund meets or exceeds 1.5 times for three consecutive years. Following suspension of the Facility Payments, if Debt Service Coverage excluding the Coverage Fund falls below 1.5 times in any year of the Rental Car Lease and Operating Agreement, the Facility Payments will be reinstated at the same amounts as prior to suspension. Upon satisfaction of certain conditions, the Authority may reimburse Facility Payments paid by the Rental Car Companies from available funds in the CFC Surplus Fund. See "APPENDIX C – Form of Rental Car Lease and Operating Agreements – Section 7.I."

Flow of Funds

The application of CFC Revenue, Facility Payments and Contingent Payments is governed by the Indenture and the Rental Car Lease and Operating Agreements. Pursuant to the Indenture and the Rental Car Lease and Operating Agreements, from and after the issuance and delivery of the Series 2019 Bonds, the Authority shall deposit, or cause to be deposited, to the credit of the CFC Revenue Fund on the twentieth day of each month all CFC Revenue, Facility Payments and Contingent Payments (collectively, the "Project Revenues"), if any, received during the preceding month. Amounts in the CFC Revenue Fund on and after the issuance of the Series 2019 Bonds shall be applied and transferred at the direction of the Authority, as more fully described below and in the Indenture, to the following funds in the following order of priority and in the amounts set forth in the Indenture:

FIRST, to the Debt Service Fund to pay principal and interest on the Series 2019 Bonds;

SECOND, to the Debt Service Reserve Fund to satisfy, to the extent necessary, the Debt Service Reserve Fund Requirement;

THIRD, to the Coverage Fund to satisfy, to the extent necessary, the Coverage Fund Requirement;

FOURTH, to the Rebate Fund, if necessary and as required by the applicable Tax Certificate;

FIFTH, to the Administrative Costs Fund to satisfy the Administrative Costs Requirement;

SIXTH, to the Renewal and Replacement Fund to satisfy the Renewal and Replacement Requirement;

SEVENTH, prior to the Commencement Date, to the CFC Project Account;

EIGHTH, to the CFC Stabilization Fund, an amount as determined by the Authority; and

NINTH, the balance to the CFC Surplus Fund to be used as provided in the Indenture.

Any CFC Revenue received from the Trustee and deposited in the CFC Surplus Fund as described in the NINTH clause above can, at the reasonable discretion of the Authority, be made available for any lawful purpose at the Airport, including the reimbursement of any funds advanced by the Authority to cover Project Costs; to repay any Contingent Payments and Facility Payments; to pay common areas O&M expenses; or to pay other items as determined by the Authority in its sole and reasonable discretion, as further described in the Rental Car Lease and Operating Agreements and Indenture.

Following is a graphic description of the flow of funds described above:

Flow of Funds

	CFC Revenue Fund
	Depository for all CFC Revenue, Contingent Payments and Facility Payments
PRIORITY	⇩
1.	**Debt Service Fund**
	Pay principal and interest on the Bonds
2.	**Debt Service Reserve Fund**
	Debt Service Reserve Fund Requirements
3.	**Coverage Fund**
	Coverage Fund Requirement
4.	**Rebate Fund**
	As required by applicable Tax Certificate
5.	**Administrative Costs Fund**
	Administrative Costs Requirement
6.	**Renewal and Replacement Fund**
	Renewal and Replacement Fund Requirement
7.	**CFC Project Account of the Construction Fund**
	For CFC Funds prior to Commencement Date
8.	**CFC Stabilization Fund**
	Amount determined by Authority
9.	**CFC Surplus Fund**
	Balance of Project Revenues

Application of Debt Service Fund

On or before the twenty-sixth day of each month after the issuance and delivery of the Series 2019 Bonds, there shall be deposited into the Debt Service Fund an amount equal to one-sixth (1/6th) of the amount necessary to pay all interest due and payable on the next Interest Payment Date taking into account any amounts therein which may be used to pay interest and one-twelfth (1/12th) of the amount necessary to pay all principal due and payable on the next Principal Payment Date taking into account any amounts therein which may be used to pay principal. Prior to each Interest Payment Date or Principal Payment Date, there shall be deposited from Pledged Funds any additional amounts necessary to increase the balance in the Debt Service Fund to be sufficient to make such payments on such Interest Payment Date or Principal Payment Date. Such additional amounts, if necessary, shall be transferred first from the CFC Stabilization Fund, second from the Coverage Fund, third from the Renewal and Replacement Fund, and fourth from the Debt Service Reserve Fund.

Moneys deposited to the credit of the Debt Service Fund shall be used solely for the purpose of paying principal of (either at maturity or prior redemption) and interest on the Bonds or reimbursing credit providers for amounts advanced for such purpose.

Debt Service Reserve Fund

Pursuant to the Indenture, the Trustee will establish the Debt Service Reserve Fund to secure the Series 2019 Bonds and any Additional Bonds issued by the Authority. The Debt Service Reserve Fund is required to be funded at all times for each of the Series 2019 A Bonds and the Series 2019 B Bonds an amount equal to the Debt Service Reserve Fund Requirement. The Debt Service Reserve Fund Requirement means for each of the Series 2019 A Bonds and the Series 2019 B Bonds an amount equal to the least of (i) the Maximum Annual Debt Service Requirement, (ii) 10% of the stated principal amount (or issue price as provided in the Code) or (iii) 125% of the average annual principal and interest requirements and, upon the issuance of any Additional Bonds or Refunding Bonds, such additional amount as shall be provided in the supplemental indenture authorizing the related series of Bonds. At the time of issuance of the Series 2019 Bonds, the Debt Service Reserve Fund Requirement will be met by depositing a portion of the proceeds of the Series 2019 Bonds into the Debt Service Reserve Fund.

In the event the balance in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement, then on or before the twenty-sixth day of each month, after making all prior required transfers from the CFC Revenue Fund to the Debt Service Fund as provided in the Indenture, there shall be transferred from the CFC Revenue Fund to the Debt Service Reserve Fund, to the extent available in the CFC Revenue Fund, one sixth of an amount equal to such shortfall, such that the Debt Service Reserve Fund Requirement shall be fully funded after six months.

Any time that there are insufficient funds available in the Debt Service Fund to make any required payment of interest on or principal of the Bonds, or to reimburse any credit providers for amounts advanced for such purpose after transfer from other Funds as required by the Indenture, there shall be transferred from the Debt Service Reserve Fund to the Debt Service Fund such amounts as may be necessary for such purpose.

Amounts in the Debt Service Reserve Fund shall be applied as provided in the Indenture, and may, at the direction of an Authorized Authority Representative, be applied to the final payment of principal and interest on any Outstanding series of Bonds. Amounts in the Debt Service Reserve Fund, to the extent they are in excess of the Debt Service Reserve Fund Requirement, may be transferred, at the direction of an Authorized Authority Representative, at any time to the CFC Revenue Fund.

Coverage Fund

Pursuant to the Indenture, the Trustee will establish the Coverage Fund to secure the Series 2019 Bonds and any Additional Bonds issued by the Authority. The Coverage Fund is required to be funded at all times in an amount equal to the Coverage Fund Requirement. The Coverage Fund Requirement is equal to 25% of the Maximum Aggregate Annual Debt Service for the Series 2019 Bonds and, upon the issuance of Additional Bonds or Refunding Bonds, shall mean 25% of the Maximum Aggregate Annual Debt Service for all Bonds then Outstanding. At the time of issuance of the Series 2019 Bonds, the Coverage Fund Requirement will be met by depositing a portion of the proceeds of the Series 2019 B Bonds into the Coverage Fund. On or before the twenty-sixth day of each month, after making all prior transfers from the CFC Revenue Fund as provided in the Indenture, there shall be transferred by the Trustee from the CFC Revenue Fund to the Coverage Fund, to the extent available in the CFC Revenue Fund, an amount equal to the Coverage Fund Requirement, as determined by the Authority, minus amounts already then on deposit in the Coverage Fund. As provided in the Indenture, amounts in the Coverage Fund shall be transferred to the Debt Service Fund to the extent required to pay principal and/or interest on Series 2019 Bonds as the same become due and payable.

Rebate Funds

The Series 2019 A Rebate Fund will be funded if so required pursuant to the Series 2019 A Tax Certificate, and amounts in the Series 2019 A Rebate Fund shall be held and disbursed in accordance with the Series 2019 A Tax Certificate. Earnings on the Series 2019 A Rebate Fund shall be withdrawn and deposited to the Series 2019 A Debt Service Account. At the time of issuance of additional Tax-Exempt Bonds, the Supplemental Indenture(s) entered into in connection with the issuance of such Tax-Exempt Bonds and the tax compliance certificate(s) entered into with respect to such Tax-Exempt Bonds shall require the establishment, maintenance and funding of additional Rebate Funds.

Administrative Costs Fund

Pursuant to the Indenture, the Trustee will establish the Administrative Costs Fund. On or before the twenty-sixth day of each month after making all prior transfers from the CFC Revenue Fund as provided in the Indenture, there shall be transferred by the Trustee from the CFC Revenue Fund to the Administrative Costs Fund an amount equal to one-twelfth (1/12th) of the Administrative Costs Requirement, as determined by the Authority, for the ensuing Fiscal Year. Amounts on deposit in the Administrative Costs Fund shall be applied by the Trustee to pay its fees and any other administrative fees required or contemplated by this Indenture, only as directed by an Authorized Authority Representative.

Renewal and Replacement Fund

Pursuant to the Indenture, the Trustee will establish the Renewal and Replacement Fund.

On or before the twenty-sixth day of each month, after making all prior transfers from the Revenue Fund as provided in the Indenture, there shall be transferred by the Trustee from the CFC Revenue Fund to the Renewal and Replacement Fund an amount equal to one-twelfth of the Renewal and Replacement Requirement, as determined by the Authority. Funds in the Renewal and Replacement Fund may be used to pay the maintenance, repair, expansion or replacement of the Project only as directed by an Authorized Authority Representative. Subject to the Indenture, amounts in the Renewal and Replacement Fund shall be transferred to the Debt Service Fund to the extent required to pay principal and/or interest on Series 2019 Bonds as the same become due and payable.

CFC Project Account

The Trustee shall make payments or disbursements from the CFC Project Account upon receipt from the Authority of a written requisition, as described in the Indenture, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the CFC Project Account, (ii) the number of the requisition, (iii) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made, and (iv) that the amount to be paid represents Costs of the Project and is expended in accordance with applicable tax requirements. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein. Moneys held in the CFC Project Account shall be invested and reinvested as directed in writing by an Authorized Authority Representative to the Trustee in Permitted Investments. Earnings on the CFC Project Account shall be retained in the CFC Project Account.

On the date of issuance of the Series 2019 Bonds, the Authority will transfer approximately $46.3 million to the CFC Project Account of the Construction Fund, representing unspent CFC Revenue previously remitted by the Rental Car Companies to the Authority. As described in "PLAN OF

FINANCE AND APPLICATION OF SERIES 2019 BOND PROCEEDS—Plan of Finance," the Authority expects to use this CFC Revenue to pay a portion of the costs of the Project.

CFC Stabilization Fund

On or before the twenty-sixth day of each month, after making all prior transfers from the Revenue Fund as provided in the Indenture, the remaining balance of the CFC Revenue Fund may be transferred to the CFC Stabilization Fund upon, and in accordance with, the direction of the Authority. Subject to the Indenture, to the extent that any balances in the CFC Stabilization Fund exceed the greater of $5,000,000 or an amount determined by the Authority, the Authority may transfer, in its discretion, such amounts to the CFC Surplus Fund. Subject to the Indenture, amounts in the CFC Stabilization Fund shall be transferred to the Debt Service Fund to the extent required to pay principal and/or interest on Series 2019 Bonds as the same become due and payable.

CFC Surplus Fund

After making all prior required transfers from the CFC Revenue Fund, the Trustee shall transfer to the Authority the remaining balance for deposit into the CFC Surplus Fund. Moneys in the CFC Surplus Fund may be used, at the reasonable discretion of the Authority, for any lawful purpose at the Airport, including the reimbursement of any funds advanced by the Authority to cover Project Costs, to repay any Contingent Payments and Facility Payments, to pay common areas O&M expenses, or to pay other items, as determined by the Authority in its sole and reasonable discretion.

Earnings on the CFC Surplus Fund shall be transferred to the CFC Revenue Fund.

Rate Covenant (Minimum Annual Requirement) and Bonds Coverage Requirement

Minimum Annual Requirement. Under the Indenture, the Authority has covenanted that as long as any of the Bonds (including the Series 2019 Bonds) remain Outstanding, each Fiscal Year the sum of:

(1) CFC Revenue remitted by the Rental Car Companies (and prior to the Commencement Date, each Person operating a rent-a-car business at the Airport that has entered into an On Airport Service Center Site Interim Lease and Operating Agreement or Off Airport Car Rental Operating Agreement) to the Trustee, as assignee of the Authority, during such Fiscal Year,

(2) amounts transferred from the CFC Revenue Fund to meet the funding requirements set forth in the FIRST through SEVENTH clauses of the Flow of Funds as set forth in the Indenture during such Fiscal Year,

(3) earnings received by the Trustee from investments held in the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, the Renewal and Replacement Fund and the CFC Stabilization Fund during such Fiscal Year, and

(4) the amount of Contingent Payments and Facility Payments remitted by the Rental Car Companies to the Trustee, as assignee of the Authority, during such Fiscal Year, if any,

shall be no less than:

(i) the aggregate amount required to be on deposit in the Debt Service Fund during the current Fiscal Year to satisfy the funding requirements for the payment of principal and interest becoming due and payable on the Bonds during such Fiscal Year;

(ii) the deposits, if any, required to be made to the Debt Service Reserve Fund pursuant to the SECOND clause of the Flow of Funds as set forth in the Indenture,

(iii) the deposits, if any, required to be made to the Coverage Fund pursuant to the THIRD clause of the Flow of Funds as set forth in the Indenture,

(iv) the deposits, if any, required to be made to the Rebate Fund pursuant to the FOURTH clause of the Flow of Funds as set forth in the Indenture,

(v) the Administrative Costs Requirement to be incurred during such Fiscal Year as described in the FIFTH clause of the Flow of Funds as set forth in the Indenture, and

(vi) the deposits, if any, required to be made to the Renewal and Replacement Fund pursuant to the SIXTH clause of the Flow of Funds as set forth in the Indenture.

Collectively, the sum of the amounts required by clauses (i) through (vi) above are defined herein as the "Minimum Annual Requirement."

Bonds Coverage Requirement. Under the Indenture, the Authority has covenanted that as long as any of the Bonds (including the Series 2019 Bonds) remain Outstanding, in each Fiscal Year the sum of (1) CFC Revenue remitted by the Rental Car Companies (and prior to the Commencement Date, each Person operating a rent-a-car business at the Airport that has entered into an On Airport Service Center Site Interim Lease and Operating Agreement or Off Airport Car Rental Operating Agreement) to the Trustee, as assignee of the Authority, during such Fiscal Year, (2) amounts transferred from the CFC Stabilization Fund to meet the funding requirements set forth in the FIRST clause of the Flow of Funds as set forth in the Indenture during such Fiscal Year, (3) earnings received by the Trustee from investments held in the Debt Service Fund, the Debt Service Reserve Fund, the CFC Stabilization Fund, the Renewal and Replacement Fund and the Coverage Fund during such Fiscal Year, (4) the amount of Contingent Payments and Facility Payments remitted by the Rental Car Companies to the Trustee, as assignee of the Authority, during such Fiscal Year, if any, and (5) the amount on deposit in the Coverage Fund at the beginning of such Fiscal Year (up to an amount not to exceed 25% of the Aggregate Annual Debt Service on the Bonds for such Fiscal Year) shall be no less than 1.25 times the Aggregate Annual Debt Service on the Bonds for such Fiscal Year (the "Bonds Coverage Requirement").

Funds Not Sufficient to Meet Minimum Annual Requirement or Bonds Coverage Requirement. In the event that the Minimum Annual Requirement or the Bonds Coverage Requirement is not met in a Fiscal Year, such violation shall not be a default under the Indenture and shall not give rise to a declaration of an Event of Default (unless the principal of, premium, if any, on, interest on or purchase price of the Bonds is not paid in such Fiscal Year) if, the Authority takes appropriate corrective actions (including increasing the Contingent Payments for the next succeeding Fiscal Year) so that the Minimum Annual Requirement and the Bonds Coverage Requirement shall be met in the next succeeding Fiscal Year; provided, however, that if the Minimum Annual Requirement or the Bonds Coverage Requirement is not met in the next succeeding Fiscal Year, an Event of Default may be declared pursuant to the Indenture. See "APPENDIX B—FORM OF TRUST INDENTURE—Article IX—Default and Remedies."

Additional Bonds

Purposes for Additional Bonds. Pursuant to the provisions of the Indenture, the purposes for which Additional Bonds may be issued will be as set forth in a Supplemental Indenture providing for the issuance of such Additional Bonds.

Requirements for Issuing Additional Bonds. Additional Bonds may be issued under the Indenture on a parity with the Outstanding Bonds, provided, among other things, that there is delivered to the Trustee, unless such Additional Bonds are Refunding Bonds, the following:

(A) a copy, duly certified by the Executive Director, of the resolution of the Board authorizing the issuance of such Series of Additional Bonds;

(B) an original executed counterpart or a copy, certified by the Executive Director, of the Indenture, together with all Supplemental Indentures (other than the Supplemental Indentures described in clause (C) below);

(C) an original executed counterpart of the Supplemental Indenture or Supplemental Indentures providing for the issuance of such Series of Additional Bonds;

(D) a copy, duly certified by the Executive Director, of the CFC Resolution;

(E) a copy, duly certified by the Executive Director, of the form of Rental Car Lease and Operating Agreements entered into by the Rental Car Companies;

(F) written instructions from the Authority to authenticate the Series of Additional Bonds and, upon receipt of the purchase price, to deliver the Series of Additional Bonds to or upon the order of the purchasers named in such instructions;

(G) a certificate of the Authority stating that no Event of Default has occurred and is continuing and that all conditions precedent provided for in the Indenture relating to the authentication and delivery of such Additional Bonds have been complied with;

(H) an opinion of Bond Counsel, dated the date of issuance of such Additional Bonds, to the effect that (i) the issuance of such Additional Bonds has been duly authorized, (ii) all legal conditions precedent to the delivery of such Additional Bonds have been fulfilled, (iii) such Additional Bonds are valid and binding special limited obligations of the Authority in accordance with their terms, and (iv) if the interest on such Additional Bonds then proposed to be issued is intended to be exempt from federal income taxation, stating that the interest on such Additional Bonds is excludable from gross income of the recipient thereof for federal income tax purposes; and

(I) unless such Additional Bonds are Completion Bonds or Refunding Bonds, either:

(i) a report of a Consultant to the effect that for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Additional Bonds during which no amount of interest on such Series of Additional Bonds required to be on deposit in the Debt Service Fund is expected to be funded from the proceeds thereof through and including the later of: (1) the fifth full Fiscal Year following the issuance of such Series of Additional Bonds, or (2) the third full Fiscal Year during which no amount of interest on such Series of Additional Bonds required to be on deposit in the Debt Service Fund is expected to be funded from the proceeds thereof, the projected CFC Revenue to be remitted to the Trustee (excluding any amounts projected to be on deposit in the Coverage Fund) for each such Fiscal Year, will be, as of the end of each such Fiscal Year, at least equal to 1.25 times the Maximum Aggregate Annual Debt Service on all Bonds Outstanding (including such Additional Bonds) during such Fiscal Year, and also will be sufficient, in each such Fiscal Year, after the funding of Aggregate Annual Debt Service on all Bonds Outstanding, to fund any other amounts required to be deposited from CFC Revenue to the Debt Service Reserve Fund, the Coverage Fund, the Administrative Costs Fund,

the CFC Stabilization Fund and the Renewal and Replacement Fund as described in the Indenture; or

(ii) a certificate of the Authority to the effect that the CFC Revenue remitted to the Trustee for any consecutive twelve (12) months out of the immediately preceding eighteen (18) months prior to the date of issuance of such Additional Bonds (excluding any amounts on deposit in the Coverage Fund) was at least equal to 1.25 times the Maximum Aggregate Annual Debt Service due on all Bonds Outstanding (including such Additional Bonds), and was also sufficient, after the funding of such Aggregate Annual Debt Service on all Bonds Outstanding, to fund any other amounts required to be deposited from CFC Revenue during such 12-month period to the Debt Service Reserve Fund, the Coverage Fund, the Administrative Costs Fund and the Renewal and Replacement Fund as described in the Indenture.

Completion Bonds shall mean Additional Bonds issued by the Authority in an aggregate principal amount not to exceed 10% of the original principal amount of the Series 2019 Bonds.

Refunding Bonds. Pursuant to the Indenture, all Refunding Bonds of any series shall be executed by the Authority and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only following the Trustee's receipt of the following:

(A) the documents referred to in (A) through (H) above;

(B) (i) a certificate of the Authority substantially to the effect that either (1) after the issuance of the proposed Refunding Bonds, the Aggregate Annual Debt Service on all Outstanding Bonds (including the proposed Refunding Bonds) will be less than or equal to that for each Fiscal Year within which any of the refunded Bonds would have been Outstanding but for their having been refunded; or (2) that the refunding will reduce or not increase the total debt service payments on the refunded Bonds on a net present value basis; or (ii) the report or the certificate described in Section (I) above;

(C) if a redemption of Series 2019 Bonds is to be effected, irrevocable instructions to the Trustee to give due notice of redemption of all of the Series 2019 Bonds to be refunded and the redemption date or dates, if any, upon which such Series 2019 Bonds are to be redeemed;

(D) if a redemption of Series 2019 Bonds is to be effected and the redemption is scheduled to occur subsequent to the next succeeding forty (40) days, irrevocable instructions to the Trustee to give notice of redemption of such Series 2019 Bonds as provided the Indenture or the applicable Supplemental Indenture on a specified date prior to their redemption date, which notice may include language giving notice that such redemption is conditioned upon the receipt of sufficient amounts to effect such noticed redemption; and

(E) such further documents and moneys as are required by the provisions of the Indenture or any Supplemental Indenture.

Events of Default and Remedies

Events of Default under the Indenture and related remedies are described in "APPENDIX B—FORM OF TRUST INDENTURE—Article IX—Default and Remedies." The Trustee is authorized to take certain actions upon the occurrence of an Event of Default under the Indenture, including proceedings to enforce the obligations of the Authority under the Indenture. See "CERTAIN INVESTMENT CONSIDERATIONS—Enforceability of Remedies" and "—Limitation on Amounts Available Upon the Occurrence of an Event of Default."

THE PROJECT

Existing Rental Car Facilities

The current rental car operations at the Airport consist of individual remote lots for three companies representing ten brands including: (i) Avis Budget Group, Inc. (Avis, Budget , Payless and Zipcar brands), (ii) The Hertz Corporation (Hertz, Dollar and Thrifty brands), and (iii) Enterprise Holdings, Inc. (Enterprise, Alamo and National brands). Most companies operate facilities southeast of the terminal building on Schoephoester Road, except for Dollar, Thrifty and Enterprise which are located off-Airport on the other side of the Ella Grasso Turnpike. All rental car customers are transported to individual lots by buses operated by each individual company. These lots consist generally of a customer service building with counters and small offices, pick-up and drop-off areas for the buses, ready and return vehicle parking, and fuel, wash and light maintenance facilities. All existing rental car operators will operate from the GTC when it opens and will operate under the terms of a Rental Car Lease and Operating Agreement.

The rental car companies will continue to transport their customers to individual areas via their own buses until completion of the GTC.

The Project

The GTC will be located on 13.4 acres of leased area, within a 20-acre parcel of land located south of the recently demolished Terminal B and west of the existing five-level parking garage in a newly created 20-acre site that will be bounded by Airport Terminal Road and Schoephoester Road. The GTC will consist of three components: (i) the R/R Garage with three levels of parking for rental car operators, including customer service areas containing rental car counters and offices, one level of vehicle staging and storage and one level of public parking, (ii) the QTA vehicle service building connected to the ready/return garage via a series of ramps, a fuel distribution and storage system and employee parking for rental car operators, and (iii) the VCB with elevators, stairways, escalators and restrooms with the first floor containing the Airport transit center.

The R/R Garage will include approximately 3,084 parking spaces. Level 0 of the R/R Garage consists of 450 covered public parking spaces and 380 uncovered surface parking spaces. Levels 1, 2 and 3 consist of 1,554 ready/return parking spaces for customer pick-up and drop off. Vehicle staging and storage is on rooftop Level 4 and consists of 700 spaces. Two single-threaded helixes will be used to move customers and rental car service agents between floors of the R/R Garage and serve as the rental car return entrance and rental car exit. Public parking will be served by new entrance and exit plazas on site and will have a connection to the existing parking garage at grade level[4].

The QTA service building, connected to the R/R Garage via a series of ramps, will house rental car service and storage areas, commonly referred to as QTAs. The new QTAs will serve as limited service areas for car rental companies to perform fueling and vacuuming (48 positions), car washes (9 positions) and light maintenance bays (9 bays). There will be 324 spaces for vehicle staging and 310 storage spaces with no public access, and 67 spaces for rental car company employees.

The multi-level VCB will include escalators, elevators, stairs and restrooms providing access to all levels of the GTC. Public parkers and rental car customers will access the VCB either via at-grade crossings at the arrivals roads, or via an enclosed and elevated pedestrian bridge located at the west end of Terminal A. The pedestrian bridge connects to the VCB at Level 2. Level 0 of the VCB will consist of

[4] Revenues from public parking are not pledged to the Series 2019 Bonds.

9,800 square feet of conditioned and sheltered area for public use while waiting for bus or shuttle service (the "Transit Center").

Additionally, the Project will consist of other elements, including construction of elevated pedestrian walkways and an at-grade covered roadway crossing that will connect the GTC with the existing passenger terminal and public parking garage, construction of utility infrastructure improvements necessary for the construction and operation of the GTC, construction of an at-grade uncovered public parking lot, construction of a new entrance and exit to the existing parking garage, construction of roadways and equipment required to provide access and egress from the new at-grade public parking lot and covering public parking, and the demolition of existing Hamilton Road Bridge over Schoephoester Road.

The roadways around the site, which include a roundabout and a signalized intersection, will provide access to and from the GTC. A portion of the surface parking within this footprint has been temporarily relocated by the Authority.

The GTC will replace current airport rental car facilities, consolidating all rental car activities into one "common" facility or CONRAC. The consolidation of a fragmented and inefficient ground transportation network at the Airport will enhance landside operations of the Airport and augment rental car customer and air passenger convenience.

Project Budget

The Authority's cost estimate for the Project is $209,279,000, which the Authority believes is reasonably achievable. Accordingly, the Authority has developed a plan of finance, including funding sources for the Project, totaling approximately $226,904,000. The Authority has entered into a Development Agreement with BDL CONRAC, LLC ("BDL CONRAC"). BDL CONRAC will oversee the planning and construction of the Project at the Airport.

The following table sets forth the costs of the major components of the Project. See "PLAN OF FINANCE AND APPLICATION OF SERIES 2019 BOND PROCEEDS—Plan of Finance" for a description of the sources of funding for the Project. See also "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT—Section 1" for additional information on the Project and the funding sources for the Project.

Bradley International Airport - Ground Transportation Center Project Costs		
Design & Construction - Lump Sum	$	195,900,000[5]
Soft Costs		11,557,384
Contingencies		1,821,616
Total Project Costs	**$**	**209,279,000**

[5] In addition to the contingencies listed below, the Lump Sum includes approximately $5.5 million in design evolution and construction contingencies, and as described under the Development Agreement section below, the Authority will be funding up to $5 million of a Project Contribution to cover Project contingency costs incurred in excess of the Lump Sum for change orders under the Design-Build Contract.

The Developer

Construction of the Project will be the responsibility of BDL CONRAC, which has engaged Conrac Solutions Project Delivery, LLC, an Alaskan limited liability company, registered to do business in the State of Connecticut (the "Developer"), to oversee the construction. The Developer is a subsidiary of Conrac Solutions, LLC, the parent company of BDL CONRAC. The Developer has extensive experience developing on-airport consolidated rent-a-car facilities, including the construction of a consolidated Quick Turn-Around facility at Bismarck Airport and consolidated rental car facilities at Austin-Bergstrom International Airport and Ted Stevens Anchorage International Airport. Pursuant to the Project Delivery Agreement, executed in March 2019, between BDL CONRAC and the Developer (the "Project Delivery Agreement"), the Developer will be responsible for providing management and process for construction and delivery of the Project.

Construction Contractor

BDL CONRAC has retained the services of Austin Commercial, LP, which will serve as the Design-Build General Contractor for the Project (the "General Contractor"). Austin Commercial, LP, is one of three operating companies of Austin Industries, Inc., which was founded in 1918 and describes itself as one of the largest construction organizations in the United States. Austin Commercial has been involved as lead or co-lead contractor for construction of consolidated rental car facilities at Austin, TX; Chicago O'Hare International Airport, IL; Nashville International Airport, TN; Phoenix Sky Harbor International Airport, AZ; San Diego International Airport, CA; and Tampa International Airport, FL. BDL CONRAC has entered into the Design-Build Contract with the General Contractor providing for a Lump Sum Price of $195,900,000.

Development Agreement

During the term of the Development Agreement, which commences on the first day of the 36-month period designated for construction and runs until the opening date of the GTC, BDL CONRAC has the exclusive obligation and right to develop and construct the Project, with financing provided by the Authority from previously collected CFC Revenue and proceeds from the Series 2019 Bonds. Additionally, the Authority will fund up to $5 million of a Project Contribution to cover Project contingency costs incurred in excess of the Lump Sum for change orders under the Design-Build Contract between BDL CONRAC and the General Contractor.

BDL CONRAC shall not undertake any new construction, renovation or improvement except in compliance with and pursuant to the Development Agreement and Project Delivery Agreement. During the term of the Development Agreement, BDL CONRAC shall submit progress reports (at least on a monthly basis) to the Authority bearing the signature of a Connecticut registered professional architect attesting to the compliance of the work in progress to all applicable requirements and construction plans. At Substantial Completion of the Project (as defined in the Development Agreement), and before occupancy, BDL CONRAC shall submit to the Authority and the Authority's building official appropriate certification by a Connecticut registered architect, certifying that all work has been completed in accordance with the plans and all applicable laws, regulations and codes.

The Development Agreement provides that all of the Project Premises and all existing and proposed facilities, improvements, lighting, fencing, protection devices, paved areas, and/or sidewalks constructed or installed by BDL CONRAC shall become and remain the property of the Authority subject to BDL CONRAC's rights under the Development Agreement. At the expiration or termination of the Development Agreement, BDL CONRAC shall have the right to remove from the Premises only its moveable personal property, except for personal property purchased with CFC Revenue or Bond

proceeds. Additionally, BDL CONRAC shall bear all costs and expenses shown in the Project Fund Budget for the Project to be constructed, renovated and/or otherwise improved on the Project Premises by BDL CONRAC, which shall include all utility connections and any current or future metering that may be required, and shall bear all of the risks of loss of and/or damage to any material and/or partially completed facilities prior to the date of approval and acceptance by the Authority.

The Authority reserves the right, at its own expense, to perform construction inspections at times appropriate to the construction process, for the purpose of assuring conformity to approved plans and specifications, and as required by or as reasonably necessary for BDL CONRAC to meet its obligations under the Development Agreement.

BDL CONRAC shall indemnify and hold harmless the Authority against all risks of loss and/or damage to any materials and/or partially completed renovations and/or improvements prior to the date of their approval and acceptance by the Authority, except where such damage or loss is directly and solely caused by the Authority or an employee or agent of the Authority.

Pursuant to the Development Agreement, BDL CONRAC shall submit to the Authority pay applications for costs of the Project ("Pay Applications") once each month under an agreed process for preview and concurrent progress review and billing approval as outlined in the Development Agreement.

Default. If BDL CONRAC fails to perform or comply with any material provision contained in the Development Agreement, or if BDL CONRAC abandons the Premises, and if that failure or abandonment continues for a period of ten (10) days after a written notice thereof is received from the Authority by BDL CONRAC, the Development Agreement shall be deemed to have been breached and BDL CONRAC shall be in default. Further, if BDL CONRAC is finally declared insolvent or finally adjudicated bankrupt by competent authority, the Development Agreement shall be deemed to have been breached and the Authority shall have the right to enter and take possession of the Premises immediately; and, except for liabilities incurred prior to such action, all rights and responsibilities shall likewise cease.

Termination. The Authority may cancel the Development Agreement and require BDL CONRAC to vacate and surrender possession of the Premises within thirty (30) days after receipt by BDL CONRAC of written notification of a breach of the Development Agreement, said breach having remained uncured within that period of time. No breach of the Development Agreement shall result in a termination by cancellation so long as BDL CONRAC shall be proceeding from the time it receives actual notice of such breach to cure the same diligently and in good faith and shall accomplish such cure within a reasonable period of time acceptable to the Authority.

Rental Car Lease and Operating Agreements

Rental Car Companies will operate at the Airport and the CONRAC under the terms of the Rental Car Lease and Operating Agreements with the existing Rental Car Companies, which were executed in March 2019 with the terms and obligations commencing on the opening of the GTC (the "Commencement Date"). Each Rental Car Company's Lease and Operating Agreement will cover the Rental Car Company's family of brands. The Lease and Operating Agreements have an initial term of 20 years with two (2) 5-year extension options by mutual discretion. In addition to the existing Rental Car Companies currently operating at the Airport, the Authority has entered into a Rental Car Lease and Operating Agreement with Sixt Rent a Car, LLC which will operate at the GTC when it opens.

The Rental Car Lease and Operating Agreement requires the Rental Car Companies to collect CFCs per vehicle transaction-day on behalf of the Authority. Any off-Airport rental car company wishing

to pick up or drop off customers at the Airport will be required to enter into an agreement with the Authority and to collect CFCs.

CFC Revenue is to be held in segregated trust funds for the benefit of the Authority and will be subject to the pledge of CFC Revenue to pay debt service on the Bonds and meet the requirements of the Indenture. Each year, CFC Revenue is to be used to pay debt service on the Bonds issued for the Project; make any required contributions to the Debt Service Reserve Fund, Coverage Fund, Renewal and Replacement Fund, and CFC Stabilization Fund; and pay all other costs required under the Trust Indenture (collectively, the CFC Program Requirements).

CFC Revenue remaining after the payment of the CFC Program Requirements are to be deposited into the CFC Surplus Fund, which, at the Authority's discretion, may be used for various authorized purposes, including reimbursement to the Authority for any Authority revenues used for the development of the GTC and reimbursement to the Rental Car Companies, on a pro rata basis, of any Contingent Payments, Facility Payments and CONRAC Common Area O&M Costs (as defined in the Rental Car Lease and Operating Agreements). To the extent that the Authority elects to reimburse the Authority and the Rental Car Companies from the CFC Surplus Fund, such reimbursements will be applied in the priority order provided for in the Rental Lease and Operating Agreements. See "APPENDIX C – Form of Rental Car Lease and Operating Agreements – Article 7.I – Surplus CFC Revenues"

The amount of the CFC is to be reviewed by the Authority's Executive Director at least annually to determine whether an adjustment is warranted to ensure that CFC Revenue is at least sufficient to meet the CFC Program Requirements. In the event either transaction days or CFC Revenue for any calendar year drop to 80% or less than projected for that calendar year in the final Report of the Airport Consultant published in connection with the sale of bonds (including the Series 2019 Bonds) or other financing for the Project, then the Executive Director will both obtain an independent expert rate report and implement the recommended CFC adjustment, up to 10% higher than the highest CFC rate at any airport in New England then in effect. Notwithstanding the foregoing, the Authority reserves the right to raise the CFC rate further, at its sole discretion, if it desires to do so, and to change the Contingent Payments pursuant to the Rental Car Lease and Operating Agreements if raising the CFC rate up to 10% higher than any airport in New England does not meet the Bond Coverage Requirement. The current CFC rate at the Airport is more than 10% higher than any airport in New England. Other New England airports currently with a CFC include Boston Logan International Airport (BOS) ($6.00), T.F. Green Airport (PVD) ($6.00), Manchester-Boston Regional Airport (MHT) ($2.25), and Portland International Jetport (PWM) ($1.00).

If there is a deficiency between actual or forecast CFC Revenue and the amount required to meet the CFC Program Requirements (the "CFC Deficiency"), the Authority may take actions to offset the CFC Deficiency by, among other things, requiring the Rental Car Companies to make Contingent Payments to ensure that the CFC Program Requirements are met. Any Contingent Payments are subject to reimbursement to the Rental Car Companies from amounts on deposit in the CFC Surplus Fund.

In addition to CFCs, the Rental Car Lease and Operating Agreements require that the Rental Car Companies make monthly Facility Payments to the Trustee in equal monthly installments totaling $3.3 million annually. Facility Payments payable by the Rental Car Companies are subject to suspension if certain thresholds are met, and to subsequent reinstatement in certain circumstances, as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS – Facility Payments."

The Rental Car Lease and Operating Agreements also provide for the payment of an annual concession fee for the operation of each Rental Car Company's brand family calculated as the greater of 10% of net gross receipts from Airport rentals (as described in the Rental Car Lease and Operating

Agreement) or a minimum annual guarantee ("MAG"). The MAG for each year is generally to be calculated as the greater of the applicable MAG floor, as established at the Commencement Date for each Rental Car Company, or 85% of the prior year's calculated percentage fee. These concession fees are considered Airport revenues, and are not pledged to pay debt service on the Bonds.

Termination of the Rental Car Lease and Operating Agreement. The Rental Car Lease and Operating Agreements may be terminated by the Authority or the Rental Car Company prior to the end of the Rental Car Lease and Operating Agreement if any of the following events occur:

Termination by the Authority:

Immediate Termination. In addition to all other available remedies under the Rental Car Lease and Operating Agreements, the Authority may terminate a Rental Car Lease and Operating Agreement with no notice if any of the following events occur:

a. The Rental Car Company fails to cure any default as provided in the Rental Car Lease and Operating Agreement.

b. Within a six (6) month period the Authority has issued three (3) written notices of default to the Rental Car Company for failure to comply with any one term or condition of the Rental Car Lease and Operating Agreement.

c. The Rental Car Company becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof, or consents to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property.

d. A petition under any part of the federal bankruptcy laws or any action under any present or future insolvency law or statute, is filed against the Rental Car Company and is not dismissed within thirty (30) days after the filing thereof.

e. A transfer or assignment occurs without prior approval from the Authority.

f. The Rental Car Company vacates the premises at the GTC. Premises are presumed vacated if the Operator's space in the customer service building is unmanned during CONRAC hours of operation for three (3) consecutive days.

g. The Rental Car Company conducts its operations in a manner that threatens public safety as determined by the Authority in conformity with the laws and regulations of the State of Connecticut.

h. The Authority determines that the Rental Car Company willfully falsified any of its records or figures so as to deprive the Authority of any of its rights under the terms of the Rental Car Lease and Operating Agreement or diverted revenues as described in the Rental Car Lease and Operating Agreement.

i. The Rental Car Company failed to comply with all applicable laws and regulations of the United States government, the State of Connecticut, all agencies thereof, and all rules and regulations of the Authority now in effect or hereafter promulgated.

Termination After Notice: The Authority may terminate the Rental Car Lease and Operating Agreement after thirty (30) days' notice if any of the following events occur:

a. With written concurrence of the Rental Car Company, the occurrence of any act that deprives the Rental Car Company of the rights, power, licenses, permits, or authority necessary for the proper conduct and operations of the activities authorized therein.

b. The lawful assumption by the United States government, or any authorized agency thereof, of the operation, control, or use of the Airport and its facilities, or any part thereof, in such a manner as to substantially restrict the Rental Car Company's operations for a period in excess of ninety (90) consecutive days.

In addition to termination as stated above, the Authority may terminate the Rental Car Lease and Operating Agreement three (3) days after written notice by the Authority if the Rental Car Company fails to provide and/or maintain the surety and/or insurance required by the Rental Car Lease and Operating Agreement at any time during the term of the Rental Car Lease and Operating Agreement. If the Authority does not terminate, the Rental Car Company must obtain a new or renewed policy that specifically provides the required coverage to the Authority for any liability arising during the lapsed or previously uncovered period.

Termination by the Rental Car Company. If a Rental Car Company is not in default under a Rental Car Lease and Operating Agreement, it may terminate the Rental Car Lease and Operating Agreement at any time by giving the Authority forty-five (45) days advance written notice, upon the happening of any of the following events:

a. Issuance by a court of competent jurisdiction of an injunction in any way preventing or restraining normal use of the Airport or any substantial part of the Airport that remains in force for a period of ninety (90) consecutive days.

b. The inability of the Rental Car Company to use, for a period in excess of ninety (90) consecutive days, the Airport or any substantial part of the Airport because of embargo, fire, explosion, earthquake, or similar casualty or acts of God or the public enemy, provided that same is not caused by the Rental Car Company's negligent acts or omission or commission or its willful misconduct.

c. The lawful assumption by the United States government, or any authorized agency thereof, of the operation, control, or use of the Airport and its facilities, or any part thereof, in such a manner as to substantially restrict the Rental Car Company's operations for a period in excess of ninety (90) consecutive days.

Default by a Rental Car Company and Opportunity to Cure.

The Rental Car Company will be in default of the Rental Car Lease and Operating Agreement if it fails to comply with any of its terms and conditions. There are two types of defaults and opportunities to cure:

a. Monetary Default. The Rental Car Company is in default if it fails to duly and punctually pay the CFCs, Facility Payments or any other payments, charges, rents or fees required under the Rental Car Lease and Operating Agreement. The Authority shall issue written notice of non-payment to the Rental Car Company and the Rental Car Company shall have ten (10) days after notice to cure the default.

b. Non-monetary Default. The Rental Car Company is in default if it fails to keep, perform and observe any other term or condition set forth in the Rental Car Lease and Operating Agreement, including, but not limited to, the failure by the Rental Car Company, or its employees, agents and contractors, to operate in a manner consistent with the uses and standards of service set forth in the Rental Car Lease and Operating Agreement. Except as provided in the Rental Car Lease and Operating Agreement, the Authority will issue written notice of the non-monetary default and the Rental Car Company shall have thirty (30) days after written notice to correct the instance of non-monetary default.

For more information on the obligations and responsibilities of the Authority and the Rental Car Companies under the Rental Car Lease and Operating Agreements, see "APPENDIX C – Form of Rental Car Lease and Operating Agreements."

THE AUTHORITY

General

The Connecticut Airport Authority was established in 2011 to develop, improve and operate Bradley International Airport and five other general aviation airports owned by the Authority: Danielson Airport in Windham County, Groton-New London Airport in New London County, Hartford-Brainard Airport in Hartford County, Waterbury-Oxford Airport in New Haven County, and Windham Airport in Windham County. These general aviation airports were previously owned by the State and were transferred to the Authority in 2013. The 11-member board of directors consists of leaders from various industries and representatives from the State and the Connecticut Department of Transportation.

Board of Directors

The Authority is governed by an eleven-member board of directors (the "Board"), including three members serving as voting, *ex-officio* board members. Appointed board members serve four-year terms or until a successor is appointed. Pursuant to the Authority's enabling statutes, the members of the Board are appointed as follows: the Governor appoints four members (and designates one such member as Board Chair); the President Pro Tempore of the State Senate appoints one member; the Minority Leader of the State Senate appoints one member; the Speaker of the State House of Representatives appoints one member; and the Minority Leader of the State House of Representatives appoints one member. Appointed directors shall have business and management experience and shall include individuals who have experience and expertise in one or more of the following areas: (i) financial planning, (ii) budgeting and assessment, (iii) marketing, (iv) master planning, (v) aviation, and (vi) transportation management.

The Board consists of three voting, *ex-officio* members. The *ex-officio* members include the commissioner of the State Department of Transportation, the commissioner of the State Department of Economic and Community Development, and the State Treasurer.

The current members of the Board are set forth below:

	Occupation	Appointing Authority	Current Term Expires
Thomas A. Sheridan (Chair)	President and CEO, Eastern Connecticut Chamber of Commerce	Governor	June 30, 2022
Michael T. Long (Vice Chair)	Retired, former Interim President and Chief Operating Officer of Ensign-Bickford Industries, Inc.	Governor	June 30, 2018*
Mary Ellen S. Jones	Vice President of Americas Sales, Pratt & Whitney	Governor	June 30, 2020
Brett C. Browchuk	Senior Vice President of Service Operations and Global Real Estate, Cigna	Governor	June 30, 2020
Robert J. Aaronson	Board of Advisors, Krauthamer & Associates and Chairman, Propeller Airports	Minority Leader, State Senate	June 30, 2020
J. Scott Guilmartin	Co-Founder, NuPower	Minority Leader, State House of Representatives	June 30, 2020
Karen M. Jarmoc	President and CEO, Connecticut Coalition Against Domestic Violence	President Pro Tempore, State Senate	June 30, 2016*
Matthew J. Kelly	Airport Operations Coordinator, Connecticut Airport Authority	Speaker, State House of Representatives	June 30, 2016*
Ex-Officio Members			
Joseph Giulietti	Commissioner, State Department of Transportation	Governor	N/A
David Lehman	Commissioner, State Department of Economic and Community Development	Governor	N/A
Shawn Wooden	State Treasurer	Statewide election	N/A

*Board members serving under expired terms may serve until either reappointed or a replacement is confirmed

The fundamental powers and functions of the Authority are established by the Authority's enabling statute. The statute empowers the Board to adopt more specific rules to guide the conduct of the Board, officers and employees of the Authority, and those persons and entities that interact with the Authority or utilize the premises and property of the Authority. The Board has exercised that power by adopting codes that govern and regulate the conduct of persons, organizations and other third parties that use the facilities under the Authority's jurisdiction; and policies that address the Authority's internal operations and governance. The Authority is also bound by the State Code of Ethics.

Pursuant to its policies, the Board has established the Audit Committee, the Economic Asset Development Committee, the Finance and Operations Committee, the Human Resources and Governance Committee, the Legislative Committee, and the Investment Committee. All committee appointments and chairmanships, as well as the Board Vice-Chair position, are determined at the Board's designated annual meeting. The Board may establish or maintain additional Board committees from time to time as necessary or appropriate in accordance with the Authority's policies

Executive Management

Kevin A. Dillon, A.A.E., Executive Director. Kevin Dillon has over 35 years of aviation and airport management experience. He served with the Port Authority of New York & New Jersey from 1975 to 1996 and held various positions at John F. Kennedy International and LaGuardia Airports, including the position of Acting General Manager of LaGuardia Airport. From 1996 to 1999 he served as the Director of Aviation Operations at Logan International Airport for the Massachusetts Port Authority. From 1999 to 2007 Mr. Dillon served as the Director of Manchester Airport in New Hampshire and was the Chief Executive for the City's Aviation Department. Subsequently, he served as the Deputy Executive Director of Orlando International and Orlando Executive Airports in Orlando, Florida. Mr. Dillon also served as the President and CEO of the Rhode Island Airport Corporation beginning in February of 2008, and held that position until July of 2012. Currently, Mr. Dillon is serving as the Executive Director of the Authority, where he is responsible for directing and overseeing all administrative, fiscal, business development, air service development, capital development, public safety, and operational aspects of the organization's day-to-day activities. He is an accredited member of the American Association of Airport Executives (AAAE) and an active aviation industry and community volunteer. Currently, he is serving as a member of the national AAAE Policy Review Committee and is a board member of the ACI-NA. He also serves as a Board Member on the MetroHartford Alliance and the Connecticut Convention and Sports Bureau.

Michael W. Shea, Deputy Executive Director - Finance. Michael W. Shea joined the Connecticut Airport Authority in September 2013 as the Director of Finance. Michael was later promoted to the role of Deputy Executive Director – Finance. Michael oversees the Accounting, Finance and Leasing departments of the Authority and is responsible for all accounting, planning & budgeting, financial analysis, treasury, lease management, business development, and financial system management functions. In addition, Michael is responsible for all debt management for the Authority. Michael has over 20 years of experience in finance & accounting. Prior to joining the Authority, Michael held high level finance and accounting roles in real estate development as well as property and casualty insurance. Michael began his career in public accounting and remains a licensed CPA. Michael graduated with a B.S. in Finance from Boston College and with a M.S. in Professional Accounting from the University of Hartford.

Sharon Traficante, Deputy Executive Director - Administration. In October 2012, Sharon Traficante joined the Connecticut Airport Authority as Director of Administration. During her first year working for the Authority, she was responsible for the development and implementation of administrative policies and procedures for the new organization. In June 2017, Sharon was promoted to Deputy Executive Director, Administration where she is responsible for the Authority's support functions, which include Human Resources, Information Technology, Marketing, Media and Public Relations, Customer Service and Procurement. Sharon has 23 years of experience in the aviation industry, having previously worked for the Rhode Island Airport Corporation at T. F. Green Airport, where she was responsible for all executive support services and was the Board liaison. Sharon undertook business studies at the Buckinghamshire New University (formerly Buckinghamshire College of Higher Education) in the United Kingdom, and after college started her career with the British government as an Administrative Officer, working at several US military installations in the UK in support of the United States Air Force in Europe (USAFE) mission. Sharon has been actively involved with the NEC/AAAE since 2004, and in 2017 was appointed to the Board of Directors.

Benjamin G. Parish, ACE, C.M., Director of Bradley Operations. Mr. Parish is responsible for all airside and landside operations at Bradley International Airport. Three departments report to Mr. Parish - Airport Operations, Airport Maintenance and Landside Operations, which consists of terminal operations, ground transportation and public parking. Mr. Parish has worked at Bradley International

Airport since 2010 in various capacities involving the running of operations at Bradley International Airport; he was hired as the Assistant Airport Administrator, transitioned to the Deputy Director of Bradley Operations, and assumed his current role as Director of Bradley Operations. Mr. Parish is directly responsible for ensuring that the airport meets all Federal Aviation Administration (the "FAA") aviation requirements. Prior to joining the Authority's executive management team, Mr. Parish worked for the Massachusetts Port Authority in their operations department as an Operations Shift Manager. Before joining the airport side of the aviation industry, Mr. Parish held numerous management positions within the airline industry. Mr. Parish started his aviation career more than 29 years ago working in management positions for commuter airlines and legacy air carriers. Mr. Parish's last job working in the airline industry was with US Airways at Boston's Logan Airport. Mr. Parish was the Customer Service Manager for this hub city that operated more than 100 daily flights. There were five shift managers, 28 supervisors, and over 200 employees that reported to this position.

Robert Bruno, Director of Planning, Engineering and Environmental Services. Robert J. Bruno is the Director of Planning, Engineering and Environmental Services for the Connecticut Airport Authority. Mr. Bruno joined the Connecticut Airport Authority in 2012. In his capacity as Director of Planning, Engineering and Environmental Services, he is responsible for the Facilities Development, Capital Improvement Program, Airport Design and Construction, Airport Planning and Environmental Compliance departments. Prior to his current position, Mr. Bruno was the Chief of Engineering Services for the State of Connecticut, Department of Transportation, Bureau of Aviation and Ports, the previous owner and operator of Bradley International Airport and five General Aviation Airports. At the Bureau, he was responsible for the Facilities Development, Capital Improvement Program and Airport Design and Construction. He also has managed other programs for the Authority, including the Procurement Department, which developed the procurement policies and procedures for the Airport Authority and participated in the preparation of many documents required for the transfer of airport ownership to the Connecticut Airport Authority. Mr. Bruno is also responsible for design review, permitting and construction oversight for private development and tenant improvements at Authority-owned facilities. After receiving a Bachelor of Science degree in Engineering Technology, Mr. Bruno dedicated 29 years to design, development and infrastructure improvements at Bradley International Airport and the General Aviation Airport system, along with working for government entities, including the State of Connecticut, Department of Transportation. Mr. Bruno is responsible for directing, developing and implementing the Capital Improvement Program for Bradley International Airport and the General Aviation Airport System, which ranges from $15,000,000 to $45,000,000 per year and has secured over $134,000,000 in Federal Funds and $86,000,000 in PFC Funds for major infrastructure improvements.

Paul K. Pernerewski, Jr, General Counsel. Paul K. Pernerewski, Jr. has served as General Counsel for the Authority since September 2013. Prior to his current position, Mr. Pernerewski served as Assistant Attorney General for the State of Connecticut, acting as Counsel to the Commissioner of Transportation for the Bureau of Aviation and Ports since 1997, at that time operator of Bradley International Airport, Hartford-Brainard Airport, Waterbury-Oxford Airport, Groton-New London Airport, Danielson Airport and Windham Airport. For the past 21 years, his practice has specialized in airport matters dealing with aircraft noise, rates and charges, transportation, the environment, eminent domain, contracts and concessions, revenue diversion and real property. He graduated from the University of Connecticut with a B.A. in Business Administration and received his Juris Doctor from the Georgetown University Law Center. He is admitted to practice law in federal and state courts in Connecticut, the Federal Court of Claims, and before the United States Supreme Court.

Employees and Labor Relations

The Authority employs approximately 150 full-time employees. Approximately 115 of these employees (primarily maintenance workers, airport operations, fiscal, fire department, etc.) are members

of five separate bargaining units (NP-2 Maintenance-CEUI Local 511, NP-3 Clerical-AFSCME Council 4, NP-5 Fire and Police-IAFF S-15, P-4 Engineering & Scientific-CSEA Local 2001, P-5 Administrative & Residual-Local 4200-AFT/AFTCT). Labor relations with respect to those 115 employees are governed by the specific labor agreements between the State of Connecticut and the respective bargaining unit.

Approximately 35 of the Authority's employees are members of an unclassified service group. Labor relations with respect to these employees are governed by state law applicable to unclassified service employees. Unclassified employees of the Authority serve on an at-will basis and are not subject to any collective bargaining agreement.

The Authority has never experienced any disruption in its operations due to labor related matters. Bargaining Unit members are barred from striking by contract.

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BRADLEY INTERNATIONAL AIRPORT

Air Carriers Serving the Airport

In December 2018, nonstop scheduled service was provided to 25 domestic airports, seven of which were served by two or more airlines. Nonstop service was provided to four international airports in December 2018. In August 2018, Southwest Airlines started daily nonstop service to St. Louis, Missouri, and United Airlines started service to Houston (Intercontinental) in October 2018. Delta offered weekly service to Cancun, Aer Lingus offered daily service to Dublin, and Air Canada offered 3 daily flights to Montreal and 4 daily flights to Toronto. Additionally, Frontier Airlines has announced that they will begin direct service to Denver, Colorado beginning in March 2019 and seasonal service to Orlando, Florida and Raleigh, North Carolina beginning in the spring of 2019, and Via Airlines announced new service to Pittsburgh, Pennsylvania commencing in July 2019.

The following table sets forth the air carriers serving the Airport as of December, 2018.

Bradley International Airport
Air Carriers Serving Bradley International Airport
(As of December, 2018)

Scheduled U.S. Carriers	Foreign Flag Carriers	Regional Carriers
American Airlines	Aer Lingus	Commutair (United)
Delta Air Lines	Jazz Aviation (Air Canada)	Endeavor (Delta)
JetBlue Airways		Envoy (American)
Southwest Airlines		ExpressJet (Delta, United)
Spirit Airlines		GoJet (Delta, United)
United Airlines		Mesa (United)
		Piedmont (American)
		PSA (American)
		Republic (American, Delta, United)
		SkyWest (Delta, United)

Aviation Activity

In Fiscal Year 2018, the Airport (a) enplaned approximately 3.26 million passengers (since Fiscal Year 2013, the Airport has experienced five years of growth averaging 4.2% annually), and (b) deplaned approximately 3.27 million passengers. In Fiscal Year 2018, 99.5% of the passengers using the Airport originated or terminated their flights at the Airport ("Originating Passengers"), while only 0.5% connected from one flight to another. The Airport does not serve as a connecting hub for any airline.

Passenger traffic growth from Fiscal Year 2000 to Fiscal Year 2006 averaged 0.7% per year. In Fiscal Year 2007, as the economy entered the recession, passenger numbers decreased for the next four years. In Fiscal Year 2010, passenger numbers were 71% of Fiscal Year 2006 numbers. A resumption of economic growth, more seat capacity, and the start of JetBlue service in November of 2010 resulted in passenger growth of 8.9% in Fiscal Year 2011. Between Fiscal Year 2010 and Fiscal Year 2018, enplaned passenger numbers increased an average of 3.0% per year. The number of enplaned passengers at the Airport increased 4.5% in Fiscal Year 2018 over Fiscal Year 2017. Almost all of the growth in the

domestic sector is attributable to Spirit which started service at the Airport in April 2017. The increase in international enplanements is due to Aer Lingus, which started service at the Airport in September 2016 and Norwegian Air which operated at the Airport between June 2017 and March 2018.

The following table sets forth the historical totals of enplanements at the Airport. See "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Historical Enplaned Passengers by Component

Bradley International Airport
(Fiscal Years ended June 30)

	By sector		By passenger type			Annual percent increase (decrease)		
Fiscal Year	Domestic	International	Originating (a)	Connecting	Total	Domestic	International	Total
2000	3,417,371	59,432	3,444,019	32,784	3,476,803			
2001	3,623,783	65,284	3,659,369	29,698	3,689,067	6.0%	9.8%	6.1%
2002	3,198,361	53,410	3,228,727	23,044	3,251,771	(11.7)	(18.2)	(11.9)
2003	3,140,289	48,330	3,166,905	21,714	3,188,619	(1.8)	(9.5)	(1.9)
2004	3,205,468	32,433	3,218,026	19,875	3,237,901	2.1	(32.9)	1.5
2005	3,536,795	31,876	3,545,259	23,412	3,568,671	10.3	(1.7)	10.2
2006	3,596,644	33,206	3,606,162	23,688	3,629,850	1.7	4.2	1.7
2007	3,253,157	43,559	3,271,172	25,544	3,296,716	(9.6)	31.2	(9.2)
2008	3,167,132	65,228	3,200,419	31,941	3,232,360	(2.6)	49.7	(2.0)
2009	2,770,260	36,690	2,784,413	22,537	2,806,950	(12.5)	(43.8)	(13.2)
2010	2,550,380	23,805	2,552,591	21,594	2,574,185	(7.9)	(35.1)	(8.3)
2011	2,780,451	22,457	2,780,723	22,185	2,802,908	9.0	(5.7)	8.9
2012	2,718,213	21,926	2,719,175	20,964	2,740,139	(2.2)	(2.4)	(2.2)
2013	2,631,626	21,881	2,633,419	20,088	2,653,507	(3.2)	(0.2)	(3.2)
2014	2,821,693	24,120	2,828,784	17,029	2,845,813	7.2	10.2	7.2
2015	2,944,539	25,423	2,952,370	17,592	2,969,962	4.4	5.4	4.4
2016	2,947,134	28,170	2,958,942	16,362	2,975,304	0.1	10.8	0.2
2017	3,057,053	60,413	3,101,515	15,951	3,117,466	3.7	114.5	4.8
2018	3,170,893	86,085	3,240,815	16,163	3,256,978	3.7	42.5	4.5
	Average annual percent increase (decrease)							
2000-2008	(0.9%)	1.2%	(0.9%)	(0.3%)	(0.9%)			
2008-2010	(10.3)	(39.6)	(10.7)	(17.8)	(10.8)			
2010-2018	2.8	17.4	3.0	(3.6)	3.0			
2000-2018	(0.4)	2.1	(0.3)	(3.9)	(0.4)			

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

(a) May include a very small number of passengers on foreign-flag airlines making connections between international flights.

Source: Bradley International Airport records and data from the U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

The following table sets forth the totals of enplanements at the Airport for the first six months of Fiscal Year 2019, July 1, 2018 through December 31, 2018:

Enplaned Passengers

First 6 Months of Fiscal Year	2018	2019	Percentage Increase
Enplanements:			
Domestic	1,608,694	1,690,851	5.1%
International	48,835	40,434	(17.2)%
Total	1,657,529	1,731,285	4.4%

Originating passenger growth at the Airport was slower than the national average from Fiscal Year 2007 through Fiscal Year 2018. Relative to the nation, passenger traffic at the Airport underwent a more pronounced and longer decline during and after the 2008-2009 economic recession. Since Fiscal Year 2013, growth in the number of domestic originating passengers at the Airport has been positive.

In Fiscal Year 2018, visiting passengers (i.e., those originating passengers whose trip itineraries did not originate at the Airport) accounted for 40.1% of originating passengers while residents (i.e., those passengers whose itineraries originated at the Airport) accounted for the remaining 59.9%. The ratio of residents to visitors has remained virtually unchanged since Fiscal Year 2000. Both traffic segments were affected by the 2008-2009 recession and both the resident segment and visitor segment grew at similar annual rates (2.9% and 3.3%, respectively) over the following eight years.

Airline Lease Agreements

The Authority has entered into separate, but substantially similar, Airline Operating and Lease Agreements (the "Airline Lease Agreements") with 6 passenger airlines operating at the Airport (the "Signatory Passenger Airlines") and 2 all-cargo carriers (the "Signatory Cargo Carriers," and together with the Signatory Passenger Airlines, the "Signatory Airlines"). The Airline Lease Agreements cover the use of and rate-setting mechanisms for the airfield and terminal facilities at the Airport. The Airline Lease Agreements have a term commencing on July 1, 2015 and terminating on June 30, 2020, unless terminated earlier pursuant to their terms. The Airline Lease Agreements may be terminated by the Authority with cause or default immediately upon the giving notice in writing to the Signatory Airlines of the intention to so terminate. The Airline Lease Agreements may be terminated by the Signatory Airlines with cause or default upon the giving of no less than thirty days' notice in writing to the Authority of the intention to so terminate.

The current Airline Lease Agreements expire on June 30, 2020. Upon the expiration of the Airline Lease Agreements, the Authority may enter into extensions of such agreements with the airlines, enter into new agreements with the airlines, or impose rates and charges upon the airlines in accordance with the requirements of the GARB Indenture.

The Airline Lease Agreements do not require the Authority to receive the approval of the Signatory Airlines for the construction of the Project at the Airport.

Summary of Financial Operations

Budgeting Process. The Authority's financial statements are comprised of two separate enterprise funds. The Bradley International Airport Enterprise Fund accounts for the operations of Bradley International Airport and the General Aviation Airports Fund accounts for the operations of five (5) general aviation airports in Connecticut owned and operated by the Authority. The Authority prepares the budget for each enterprise fund independently on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Authority operates on a July 1 through a June 30 Fiscal Year.

The budget process begins in January, with staff reviewing the prior full fiscal year results as well as the first five months of the then-current fiscal year. Senior Management provides guidance to be used by each business unit during budget development in order to manage year-over-year expense growth and appropriately fund new or critical initiatives. Each business unit then develops its draft budget for the upcoming fiscal year, including its needs for additional personnel, fixed assets and capital. The Finance department analyzes each business unit's proposed budget. Meetings are held with the Executive Director and each business unit to review its operating budget and requests for personnel, fixed assets and capital projects. The Finance unit then incorporates the budget requests into the rate setting formula to determine projected rates, fees and charges. A revenue budget also is prepared by the Finance unit. The draft budget is then reviewed with both the Board Finance & Operations Committee as well as with the airlines before it is then presented to the full Board for approval.

Internal Controls. The Authority has established a system of internal controls that provides reasonable assurance regarding the achievement of objectives in the following categories: safeguarding assets; ensuring validity of financial records and reports; promoting adherence to policies, procedures, regulations and laws; and promoting effectiveness and efficiency of operations. The Authority has external auditors who review the annual financial statements of the Authority and express an opinion that the contents present fairly, in all material respects, the financial condition of the Authority. The annual financial statements are reviewed by the Audit Committee of the Board as well as the full Board before being finalized each year.

Investment Practices. It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds. The Authority is authorized by State of Connecticut General Statutes Chapter 267b – Sec. 15-120ff (l) to invest any moneys held by the Authority or by a trustee pursuant to a trust indenture, subject to the provisions of such indenture, including proceeds from the sale of any bonds and notes, and revenues, receipts and income from the operation of the Airport in such obligations, securities and other investments, including, without limitation, participation certificates in the Short Term Investment Fund of the State of Connecticut created in section 3-27a, or deposited or redeposited in such bank or banks, all as shall be authorized by the Authority in the proceedings authorizing the issuance of the bonds and notes.

Risk Management and Insurance

Pursuant to Connecticut Public Act 11-84 Sec. 3 (b)(5), the Authority is required to procure insurance against any liability or loss in connection with its property and other assets, in such amounts and from such insurers as it deems desirable, and to procure insurance for employees.

The Authority has a comprehensive Risk Management Program comprised of commercial insurance, self-insurance, loss prevention, loss control and claims administration. The Authority's coverages include a variety of retentions or deductibles.

The Authority maintains aviation general liability insurance with coverage of $200 million for losses arising out of liability for airport operations. The Authority has also purchased the following policies: "Special Crime" with coverage of up to $1 million per occurrence; Pollution Liability policy with a $20 million aggregate limit over a 3-year period; automobile insurance with a $1 million limit of liability; equipment insurance based on replacement cost; crime with a $2 million limit of liability; fiduciary with a $1 million limit of liability; paramedic with a $1 million limit of liability; police professional with a $1 million maximum limit; public officials with a $10 million limit of liability for each claimant; network security with a $1 million limit of liability; and foreign liability with a $1 million limit of liability.

In addition, the Authority maintains a flood policy for the Groton-New London Airport only.

The Authority's worker's compensation insurance is included within the State of Connecticut's Worker's Compensation Program. Claims processing is handled by the State Department of Administration in conjunction with the Authority's Human Resources Department.

Additionally, a $50,000 contingency reserve has been established, within unrestricted net assets, by the Authority's management to respond to minor slip and falls. This fund is maintained pursuant to the Authority's policy; there is no other requirement that it be maintained. Management considers this contingency reserve to be designated to cover the cost of future retentions, deductibles and uninsured claims.

During Fiscal Year 2018, there were no significant reductions in insurance coverage from the prior year. For each of the past three Fiscal Years, settlements have not exceeded insurance coverage.

The Authority has an active loss prevention program, and the Authority retains the services of an insurance broker and utilizes them on a regular basis for its insurance needs, inquiries and assistance with claims processing.

Emergency Preparedness

The Authority has an approved Airport Emergency Plan ("AEP") as required under FAA regulations. The AEP addresses essential emergency-related and deliberate actions planned to ensure the safety of and the emergency services of the populace of the Airport and the surrounding communities.

The Authority reviews the AEP annually through a table-top exercise involving all the airport stakeholders, as well as surrounding first responders. Every three years, an exercise is held by the Authority involving all the airport stakeholders, surrounding communities first responders that the airport has mutual aid agreements with, and other local, state and federal partners who the Authority has relationships with to handle a full scale disaster.

The Authority also has prepared a Continuity of Operations (COOP) plan to assist the organization in managing (a) minor events - business disruptions impacting a single Authority function/department, (b) moderate events – business disruptions impacting multiple Authority functions/department, and (c) major events – business disruptions impacting the entire Authority/the Airport. The plan contains information on emergency contact details, strategies to mitigate impact, procedures to be implemented and communication processes to be followed in response to business

disruptions. The COOP is to be initiated at the outset of a disruptive event and includes operating the Airport during the emergency situation and business recovery steps to return the operation back over to regular management after the COOP leader deems the recovery to be complete.

The COOP plan is exercised through the State's readiness system, and is also reviewed annually with Authority departments.

All employees of the Authority are responsible for maintaining the continuous operation of the organization in the event of a disaster. While the COOP does not include recovery activities that are part of the AEP, it is the intent of management that both plans work in tandem with each other during an emergency incident.

The Authority seeks to minimize the operational and financial impact on the Airport and the Authority during any emergency or disruptive event. However, the Authority cannot predict whether the Airport would need to cease operations in the event of an emergency or what types of emergencies would cause the Airport to cease operating. The Authority is not able to predict for how long the Airport would be closed and whether the Authority's reserves would be adequate to return the Airport to full operation in the event of a cessation of operations due to an emergency.

Airport Environmental Matters

The Airport is subject to state regulation for the discharge of stormwater runoff; wastewater discharges; hazardous, universal and CT-regulated waste management; Title V air emissions; construction-related stormwater pollution control; state wetlands and watercourse permitting; and impacts to state-listed species under the Connecticut Endangered Species Act. The Airport is exempt from Flood Management Certification and the Connecticut Environmental Policy Act (CEPA).

The Airport is federally regulated under the Spill Prevention, Control, and Countermeasure (SPCC) Rule; the Resource Conservation and Recovery Act (RCRA); Section 404 of the Clean Water Act (CWA) for discharges of fill material to federal waters of the United States, including wetlands; the National Environmental Policy Act (NEPA); and the Endangered Species Act. There are no known federally listed species.

In June 2012, the Airport completed an Environmental Assessment and Environmental Impact Evaluation (EA/EIE) study for a New Terminal B Passenger Facility and Associated Improvements which included a new roadway system, new parking garage and a Consolidated Rental Car Facility. The EA/EIE, which was subsequently approved by the Federal Aviation Administration, concluded that no significant impacts are anticipated to result from the proposed action.

A Phase I Environmental Site Assessment (ESA) was completed in September 2012 for the Connecticut Department of Transportation (DOT) associated with the transfer of ownership of the Airport to the Authority. The conclusion of the Phase I ESA is that the potential impacts of agricultural chemicals, asphalt millings/soil piles, and stormwater outfalls are relevant issues, but are not classified as Areas of Concern (AOCs) or Recognized Environmental Conditions (RECs).

Aircraft De-icing – Glycol Collection. Since September 1998, the Airport has been operating under a Consent Order issued to the DOT from the State of Connecticut Department of Environmental Protection (now the Department of Energy and Environmental Protection (DEEP)) for the discharge of aircraft deicer/anti-icer-contaminated storm water to small tributary streams emanating from the Airport. The Consent Order required the Airport to implement a plan for the interim collection of glycol-contaminated runoff and prepare and implement a long-term plan to eliminate such runoff through the

design and construction of a structural collection, treatment, and glycol recycling facility. The DEEP subsequently conducted and adopted a Total Maximum Daily Load Analysis in October 1999 for Rainbow and Seymour Hollow brooks in Windsor and Windsor Locks that set a waste load allocation for both ethylene and propylene glycol discharges at zero. The Airport continues to conduct quarterly stormwater monitoring in accordance with the Consent Order. In October 2010, the Authority submitted an application to the DEEP for a National Pollutant Discharge Elimination System (NPDES) permit for the discharge of stormwater from the Airport, which is still pending. The Storm Water Pollution Prevention Plan (SWPPP) for the Airport describes existing stormwater drainage systems, non-stormwater discharges, and potential pollution sources on the Airport, and then identifies a variety of short- and long-term controls and measures to minimize stormwater pollution from Airport operations. Measures proposed in the SWPPP include best management practices, stormwater treatment, materials storage and loading/unloading practices, deicing procedures, erosion controls, and aircraft, vehicle, and equipment storage, and maintenance protocols. Procedures for training, inspection, spill control and response, and preventative maintenance are also included in the SWPPP.

The Airport has a joint permit from the DEEP with Inland Technologies International Limited, an on-site vendor, to discharge wastewater to sanitary sewers associated with the collection and recycling of glycol-contaminated stormwater. This fluid is collected from multiple locations: the Airport's deicing pad via a drainage collection system, and terminal gates operating a dual storm water drainage collection system, with assistance from two Glycol Recovery Vehicles (GRVs) which vacuum deicer and anti-icer overspray from the apron's surface.

The Airport also operates under a DEEP General Permit for the Discharge of Vehicle Maintenance Wastewater for its oil and water separators connected to sanitary sewers located at various Authority maintenance buildings and fire stations. Additionally, the Airport supplies a connection to the sanitary sewer for airlines to off-load lavatory waste from aircraft.

Air Quality. The Airport is located in the Greater CT Non-Attainment Area for ozone. Under a DEEP General Permit to Limit Potential (GPLPE) to Emit from Major Stationary Sources of Air Pollution, air emissions from Airport activities are tracked monthly and reported annually to the DEEP for having potential emissions equal to or greater than the Title V source threshold(s), and for actual emissions less than 80% of the threshold(s). Included in the calculations are data from the Airport's Co-Generation Plant that provides heating and cooling to the Terminal. The Co-Generation Plant is operated by a vendor, Ameresco, who obtained an individual authorization for air emissions from the DEEP.

Fuel Storage. The Airport has registered with the DEEP two underground storage tanks (USTs) which served the Airport's fueling station. In 2018, the USTs were removed and a new aboveground (ASTs) fueling station was designed and constructed.

The Airport's bulk fuel storage facility for Jet A fuel, piping and fuel farm is owned and operated by a 3rd party vendor, Menzies Aviation. In 2015-2016, the two (2) bulk fuel storage tanks were upgraded with tank liners and a new storm water containment system.

Waste Management. The Airport also operates and maintains an incinerator for the disposal of international waste (trash) collected from international flights. The handling of international waste and the disposal of international waste is managed under separate compliance agreements with the U.S. Customs and Border Protection and the USDA Animal and Plant Health Inspection Service, respectively.

Also in 2015-2016, the Airport's former Terminal B was remediated and demolished. During this time the Airport temporarily changed its EPA waste generator status from a Conditionally Exempt Small

Quantity Generator (CESQG) hazardous waste generator to a Small Quantity Generator. The Airport has since resumed its status as a CESQG.

Land Management. As part of the Airport's routine course of business, all tenant projects and Authority projects are required to comply with the DEEP General Permit for the Discharge of Stormwater and Dewatering Wastewaters from Construction Activities for land disturbances greater than one acre. The Authority recently completed tree obstruction removal at the RW 6 and RW 15 approach surfaces, and is presently relocating Schoephoester Road to construct a roundabout under the stormwater construction general permit. Subsequent projects will also be reviewed for applicability under this general permit as well as compliance with state and federal wetlands and watercourses permits and state-listed species.

The majority of the Airport footprint consists of impervious surfaces such as asphalt, concrete, or buildings; providing minimal ecological diversity, and those habitats that are present have been extensively altered over time and have become fragmented by development. Biotic communities that remain include wetlands, turf grass/mowed fields, disturbed open fields, riparian woodland, sand barren, and urban woodland. Woodland areas are characterized as temperate deciduous forest.

Several state-listed species occur at the Airport, ranging from plants, birds, reptiles and invertebrates, as well as DEEP specially designated critical habitat – sand barrens. Each state or federal project includes coordination with the DEEP for impacts to listed species.

In the summer of 2011, the DOT and the DEEP signed a Memorandum of Understanding (MOU) to provide bird habitat mitigation for all future development and loss of habitat for state-listed grassland birds found at the Airport. A parcel of approximately 133 acres was purchased in Windsor and arrangements agreed upon for an annual maintenance fund to be provided by the Authority, not to exceed $20,000 per year (adjusted annually for inflation), which the DEEP would use to perform maintenance activities at the property. Locally at the Airport, the MOU requires that specific areas not be mowed between May 1st and August 1st of each year until such time as the state-listed grassland birds discontinue use of the "no-mowing areas" or airport development occurs within the "no-mowing areas".

Airport Noise. The Airport completed a Part 150 Noise Study in 2004 which included a Noise Compatibility Program and Noise Exposure Mapping. The Study identified residential development adjacent to the Airport that was subjected to elevated aircraft noise levels. Pursuant to FAA regulations, the Day-Night Average Noise Level (DNL) 65 dB represents the points at which noise-sensitive land uses become significantly impacted, and therefore, incompatible with the Airport. The incompatible land uses consisted of residential properties, and the Airport along with the FAA implemented a sound insulation program for impacted residential homes. A Part 150 Noise Exposure Map Update was prepared in 2013 which reduced the area of impact. The Airport completed the insulation of approximately 234 homes.

Development of the Airport

Master Plan. In 2018, the Authority completed a Master Plan Update. The purpose of this study was to provide long-term guidance for continued airport improvements necessary to satisfy projected aviation demand in a logical and financially-feasible manner. Consistent with this purpose, the following objectives were established for the Master Plan Update:

- Provide a framework that allows the Airport to meet the long-term air transportation needs of the region in a safe, secure, and efficient manner, while complying with all FAA and Transportation Security Administration (TSA) requirements.

- Document changes in the aviation industry to prepare the Airport for future challenges and maintain a competitive market advantage.
- Ensure that the airfield meets the latest FAA design standards, while mitigating the risk of incident at high-traffic intersections and FAA-designated 'hot spots'.
- Identify the facilities necessary to accommodate all airport users and stakeholders, and meet future aviation demands.
- Develop a strategic, flexible, and cost-effective improvement plan that enhances passenger convenience and increases airline efficiency.
- Identify appropriate and best uses of land on Airport property for both aeronautical and non-aeronautical development.
- Ensure that development plans can be pursued in a safe, secure, and efficient manner and are in compliance with all FAA and TSA requirements.
- Ensure that the recommended improvements are financially feasible and maximize eligibility of FAA and Authority funding programs.
- Actively engage the public throughout the planning process.

In addition to addressing these objectives, this Master Plan Update will also fulfill the broad master planning goals set forth by the FAA in AC 150/5070-6B *Airport Master Plans*. These goals are:

- Document issues that the proposed development will address.
- Justify the proposed development through the technical, economic and environmental investigation of concepts and alternatives.
- Provide an effective graphic presentation of the development of the Airport and anticipated land uses in the vicinity.
- Establish a realistic schedule for implementing the development proposed in the Master Plan Update, particularly the short-term capital improvement program.
- Propose an achievable financial plan to support the implementation schedule.
- Provide sufficient project definition and detail for subsequent environmental evaluations that may be required before the project is approved.
- Present a plan that adequately addresses the issues and satisfies local, state, and federal regulations.
- Document policies and future aeronautical demand to support municipal or local deliberations on spending, debt, land use controls, and other policies necessary to preserve the integrity of the Airport and its surroundings.
- Set the stage and establish the framework for a continuing planning process. Such a process should monitor key conditions and permit changes in plan recommendations as required.

Airport master planning is a systematic process that evaluates existing facility and market conditions, identifies anticipated stakeholder needs, and formulates both near- and long-term development strategies. The results of the Master Plan Update will provide the guidance necessary for the Authority to address needed improvements of Airport facilities and land development considerations for the next 20 years and beyond. This technical document, along with the associated Airport Layout Plan (ALP) set, will serve as a strategic development tool for the ongoing improvement of airport facilities. The process, methods and ultimate products are guided by Federal Aviation Administration (FAA) Advisory Circular (AC) 150/5070-6B, *Airport Master Plans*.

Capital Improvement Program. The Airport develops a 5-year Airport Capital Improvement Plan (ACIP) that depicts an improvement program for the maintenance and development of the Airport. The Board adopts the Capital Improvement Program on a yearly basis. Pursuant to the ACIP, each year

the Authority's Executive Director is required to submit to the Board a development program of desired capital improvements that are within the Authority's financial funding capability.

The ACIP is intended to include a comprehensive list of potential projects. The ACIP is used to present annual development goals, identify anticipated costs for each project, and identify the potential funding source. The ACIP must be continuously refined during the planning period to address any change in timeframes. The short-term ACIP (5-year) is required by FAA to be updated and approved every year.

The Authority will use and submit the ACIP each year to identify its annual project requests and other short-term projects to the FAA New England Region. The short-term ACIP includes additional details and often separates projects into individual components. The overall ACIP serves as a planning tool for the Airport and reference guide for long-range development.

The Authority's current 5-year capital improvement program, the 2017-21 ACIP, sets forth projects that are to be undertaken at the Airport between Fiscal Year 2018 and Fiscal Year 2022. The projects in the 2017-21 ACIP include, among others:

- On Airport Obstruction Removal
- Easement Acquisitions
- Taxiway "W" Extension
- Taxiway "E" Realignment
- Passenger Circulation Terminal Renovation
- Ground Transportation Center Construction
- Terminal Restroom Renovation
- FIS Facility & Inline Baggage Construction
- Terminal A Expansion (ticketing, bag claim, concourse)

The 2017-21 ACIP has an estimated cost of approximately $611 million.

Funding of Master Plan and Capital Improvement Program. Projects in the Master Plan and the 2017-21 ACIP have been and will continue to be funded with a combination of, among other sources, CFCs, moneys received from federal grants (including grants received by the Authority under the Airport Improvement Program ("AIP") and from the Transportation Security Administration), passenger facility charges ("PFCs") collected from passengers flying to and from the Airport, internally generated cash of the Authority, and potential future bond sales.

Airport Development Program. In 2010, the Airport embarked on a Terminal B Redevelopment Program, which included the development of conceptual alternatives for a future New Terminal B, Updated Aircraft Forecast, New Roadway Realignment, Relocated FIS Facility and Future Ground Transportation Center. The program was used to determine enabling projects required to prepare a greenfield site for the future construction program. The Airport began design and construction of various enabling projects which included the relocation of the Airfield Lighting Vault, Demolition of Terminal B and Roadway Viaduct System, and Utility Relocations, all of which are now complete. The Airport also began design and construction of the New Roadway System. The New Roadway System is currently underway to allow for the construction of the GTC and is anticipated to be completed by fall 2019. Construction of a new Terminal B is not part of the 2017-21 ACIP and the Authority does not see the need for a full new Terminal B in the next ten years.

CUSTOMER FACILITY CHARGES AND RENTAL CAR OPERATIONS

Rental Car Operations at the Airport

The current rental car operations at the Airport consist of individual remote lots for three companies representing ten brands including: (i) Avis Budget Group, Inc. (Avis, Budget, Payless and Zipcar brands), (ii) The Hertz Corporation (Hertz, Dollar and Thrifty brands), and (iii) Enterprise Holdings, Inc. (Enterprise, Alamo and National brands). All rental car customers are transported to individual lots by buses operated by each individual company.

Prior to the opening of the GTC, the rental car companies operating at the Airport will continue to operate at the Airport pursuant to their respective Prior Rental Car Operating Agreement. Pursuant to the Prior Rental Car Operating Agreements, the rental car companies are required to collect CFCs and to remit the CFC Revenue to the Authority (after the issuance of the Series 2019 Bonds, the Authority will direct the Rental Car Companies to remit CFC Revenue to the Trustee, as assignee of the Authority); however, the rental car companies are not required to pay Facility Payments or Contingent Payments under the Prior Rental Car Operating Agreements. Upon the opening of the GTC, the Rental Car Companies will be subject to the terms of the Rental Car Lease and Operating Agreements and the Prior Rental Car Operating Agreements will terminate. All of the rental car companies currently operating at the Airport have executed the Rental Car Lease and Operating Agreement and will be operating from the GTC.

The following table sets forth the market share of the rental car companies for Fiscal Year 2018.

Bradley International Airport
Market Share of Rental Car Brands
Fiscal Year 2018

Corporate Entity	Rental Car Brands	Fiscal Year 2018 Share by Gross Revenues
Avis Budget Group, Inc.	Avis, Budget, Payless and Zipcar	28.3%
The Hertz Corporation	Hertz, Dollar and Thrifty	27.1%
Enterprise Holdings, Inc.	Enterprise, Alamo and National	44.6%

Source: Connecticut Airport Authority

For a further description of current rental car operations at the Airport, as well as a discussion of the rental car industry and market, both nationally and at the Airport, see "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Historical Rental Car Demand and CFC Collections at the Airport

From the 1980s to the present, the changes in ownership of rental car companies have transformed them from essentially car manufacturer-owned entities with a focus on the secondary market to publicly traded or privately held corporations with intense pressure for profitability.

Over the past two decades, the movement toward consolidation has significantly changed the rental car industry. Twenty years ago, there were eight major car rental companies, each operating a single brand. Today there are three major rental car companies, namely Hertz Corporation, Avis Budget Group and Enterprise Holdings, each operating multiple brands.

The rental car industry generally supports consolidated facilities since they often enhance the efficiency and cost effectiveness of its operations. Consolidated facilities are now common at large and medium hub United States airports. The convenience of airport rental car facilities positively impacts rental car demand.

Rental Car Transactions and Revenue. Rental car transactions increased 3.5% between Fiscal Year 2012 and Fiscal Year 2018. Between Fiscal Year 2015 and Fiscal Year 2016, rental car transactions decreased from 413,000 to 394,000. This decrease in rental car transactions during Fiscal Year 2016 may, in part, be attributable to the CFC rate increase from $3.50 to $6.00 which was imposed on August 1, 2015. Although visitor passenger numbers were higher than the prior year, CFC transactions decreased 2%. There were 404,000 transactions in Fiscal Year 2018, a 0.4% decrease from Fiscal Year 2017. The growing presence of transportation network companies such as Lyft and Uber at the Airport may have also contributed to the decline in transactions. There was no noticeable decrease in transactions after the CFC rate was increased to $6.95 in December 2016.

Gross Rental Car Companies revenues in 2018 were $83 million, a 25% increase over Fiscal Year 2012, or an average annual growth rate of 3.8%. While there was a decrease of 0.4% in the number of rental car transactions in Fiscal Year 2018, gross rental car revenues increased 5.6% from Fiscal Year 2017 to Fiscal Year 2018. See 'APPENDIX A – Report of the Airport Consultant - Historical Analysis of Rental Car Demand" for a description of rental car transactions and revenue at the Airport.

Average Length of Rental. The average length of rental, or duration, or transaction-day refers to a 24-hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term. If the same rental car is rented to more than one customer within a continuous 24-hour period, then each rental is calculated as a transaction day and is subject to collection of the per transaction-day CFC. The average transaction-day at the Airport has been relatively consistent since Fiscal Year 2012 and was 3.83 days in Fiscal Year 2018. The national average length of rental car transactions is slightly over three days. See "APPENDIX A – Report of the Airport Consultant – Average Length of Rental."

The decline in duration at the Airport from a peak of 4.12 days in Fiscal Year 2012 likely resulted, in part, due to the higher average cost of renting a car. The average length of rental peaks in the summer months at 4.2 days and drops to fewer than 3.6 days in the winter months.

CFC Rates. CFC rates are a component of overall fees and pricing per rental and are often compared to other United States airports. The ability to adjust the CFC rate higher may provide flexibility for an airport to increase its CFC if facility-related costs increase or if demand at the airport decreases. In contrast, an airport that has a high CFC rate may not have as much flexibility in similar circumstances. See "Customer Facility Charges – CFC Rate Adjustment" and "Report of the Airport Consultant – Current and Planned CFC Rates" for a description of the Authority's ability to raise the CFC rate.

The Airport's rate of $8.40 per transaction-day (effective as of February 1, 2019) is at the upper end of the range of similar medium hub airports and airports located in the northeastern region of the United States. It is important to note that the CFC rate is one component of the total costs of rental cars, which also includes base rental rates, other fees and taxes. The Airport received $10,753,047 in CFC Revenue in Fiscal Year 2018 and, as of December 2018, has received $5,859,913 in Fiscal Year 2019.

For the first six months of Fiscal Year 2019 (July 1, 2018 through December 31, 2018), the Airport has enplaned 1,731,285 passengers, representing a 4.4% increase from the corresponding period in Fiscal Year 2018.

The following table sets forth the total number of rental car transactions, the total number of rental car transaction days subject to the CFC and the total amount of CFC Revenue received by the Airport for Fiscal Years 2015 through 2018, as well as a year over year compassion of the first six months of Fiscal Year 2019 (July 1, 2018 through December 31, 2018).

Fiscal Year	Total CFC Transactions	CFC Transaction Days	Total CFCs Received by Airport
2015	412,770	1,565,138	$5,477,984
2016	393,546	1,557,253	$8,833,553
2017	405,610	1,539,743	$9,980,893
2018	403,909	1,547,201	$10,753,047

First 6 Months of Fiscal Year	Total CFC Transactions	CFC Transaction Days	Total CFCs Received by Airport
2018	214,042	845,550	$5,876,573
2019	216,151	843,153	$5,859,913

REPORT OF THE AIRPORT CONSULTANT

General

The Authority has retained LeighFisher to prepare a report in connection with the issuance of the Series 2019 Bonds. The Report of the Airport Consultant is included as Appendix A hereto, with the Airport Consultant's consent. The information regarding the analyses and conclusions contained in the Report of the Airport Consultant is included in the Official Statement in reliance upon the knowledge and experience of LeighFisher as the Airport Consultant. The Report of the Airport Consultant has not been updated to reflect the final pricing terms of the Series 2019 Bonds or other changes that may have occurred since March 14, 2019, the date of the Report of the Airport Consultant.

The financial forecasts in the Report of the Airport Consultant are based on information and assumptions that were provided by, or reviewed and agreed to by, the Authority's management. In the opinion of the Airport Consultant, the assumptions underlying the forecasts are reasonable given the information available and circumstances existing as of the date of the Report of the Airport Consultant.

The Report of the Airport Consultant should be read in its entirety for an understanding of the forecasts and underlying assumptions contained therein. No assurances can be given that these or any of the other assumptions contained in the Report of the Airport Consultant will occur. As noted in the Report of the Airport Consultant, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material. See also "INTRODUCTION—Forward-Looking Statements," and "CERTAIN INVESTMENT CONSIDERATIONS—Report of the Airport Consultant."

Accordingly, the projections contained in the Report of the Airport Consultant or that may be contained in any future certificate of the Authority or the Airport Consultant are not necessarily indicative of future performance, and neither the Airport Consultant nor the Authority assumes any responsibility for the failure to meet such projections. In addition, certain assumptions with respect to future business and financing decisions of the Authority are subject to change. No representation is made or intended,

nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of Series 2019 Bonds are cautioned not to place undue reliance upon the Report of the Airport Consultant or upon any projections or requirements for projections. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, the amount of CFC Revenue collected may be materially less than expected and consequently, the ability of the Authority to make timely payment of the principal of and interest on the Series 2019 Bonds may be materially adversely affected.

Neither the Authority's independent auditors, nor any other independent accountants have compiled, examined or performed any procedures with respect to the forecast of CFC Revenue, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the CFC Revenue forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability.

Forecast Debt Service Coverage

The following table sets forth the projected CFC rate, CFC collections, interest earnings on the Debt Service Reserve Fund, the Coverage Fund and the CFC Surplus Fund, balance in the Coverage Fund, debt service requirements for the Series 2019 Bonds and the debt service coverage of the Series 2019 Bonds, as forecast by the Airport Consultant, for the Fiscal Years 2019 through 2024.

The forecasted financial information in the following table was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to forecasted financial information, but, in the view of the Authority's management, was prepared on a reasonable basis, to reflect the best currently available estimates and judgments and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the rental car business at the Airport. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the forecasted financial information.

Neither the Authority's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted financial information contained herein, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted financial information.

The assumptions and estimates underlying the forecasted financial information are inherently uncertain and, though considered reasonable by the management of the Authority as of the date of this Official Statement, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the forecasted financial information, including, among others, the risks and uncertainties described under "CERTAIN INVESTMENT CONSIDERATIONS" below. Accordingly, there can be no assurance that the forecasted results are indicative of the future performance of the rental car business at the Airport or that actual results will not be materially higher or lower than those contained in the forecasted financial information. Inclusion of the forecasted financial information in this Official Statement should not be regarded as a representation by any person that the results contained in the forecasted financial information will be achieved.

Connecticut Airport Authority
Forecast Debt Service Coverage on the Series 2019 Bonds

FORECAST DEBT SERVICE COVERAGE

Connecticut Airport Authority
Bradley International Airport
(Fiscal Years ending June 30; in thousands except coverage ratios)

The forecast presented in this figure was prepared using the information and assumptions described in the accompanying text. Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

		Forecast 2019	2020	2021	2022	2023	2024	2025
Originating Visitor Passengers	(A)	1,310	1,330	1,349	1,369	1,388	1,408	1,427
Propensity to Rent (1)	(B)	*30.9%*	*30.7%*	*30.5%*	*30.3%*	*30.3%*	*30.3%*	*30.3%*
Transactions	(C) = (A) x (B)	404	408	411	414	420	426	432
Days per Transaction (average) (1)	(D)	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*
Transaction-Days	(E) = (C) x (D)	1,544	1,557	1,569	1,582	1,604	1,627	1,649
CFC Rate (1) (2)	(F)	$ 7.43	$ 8.40	$ 8.40	$ 8.40	$ 8.40	$ 8.40	$ 8.40
CFC Revenues	(G) = (E) x (F)	$ 11,480	$ 13,078	$ 13,184	$ 13,286	$ 13,476	$ 13,665	$ 13,854
Aggregate Annual Debt Service								
Series 2019A CFC Bonds		$ -	$ -	$ 1,684	$ 1,684	$ 1,684	$ 1,684	$ 1,684
Series 2019B CFC Bonds		-	-	6,578	6,578	7,753	9,645	9,642
Total Aggregate Annual Debt Service	= (H)	$ -	$ -	$ 8,262	$ 8,262	$ 9,437	$ 11,330	$ 11,326
Compliance with Rate Covenant - Section 6.07 (b)								
1. CFC Revenues	= (G)	$ 11,480	$ 13,078	$ 13,184	$ 13,286	$ 13,476	$ 13,665	$ 13,854
2. Transfers from CFC Coverage Fund		-	-	-	-	-	-	-
3. Earnings on investments		79	318	318	318	318	318	318
4a. Contingent Payments		-	-	-	-	-	-	-
4b. Facility Payments		-	-	-	-	2,750	3,300	3,300
Total Funds Available for Rate Covenant Compliance	= (J)	$ 11,560	$ 13,396	$ 13,502	$ 13,604	$ 16,544	$ 17,283	$ 17,472
Funding Requirements specified in 5.04(b)								
1. Debt Service Fund	= (H)	$ -	$ -	$ 8,262	$ 8,262	$ 9,437	$ 11,330	$ 11,326
2. Debt Service Reserve Fund		-	-	-	-	-	-	-
3. Coverage Fund		-	-	-	-	-	-	-
4. Rebate Fund		-	-	-	-	-	-	-
5. Administrative Costs Funds		50	50	50	50	50	50	50
6. Renewal and Replacement Fund		-	-	-	-	-	-	-
7. CFC Project Account		-	-	-	-	-	-	-
Minimum Annual Requirement	= (K)	$ 50	$ 50	$ 8,312	$ 8,312	$ 9,487	$ 11,380	$ 11,376
Total Funds Available Less Minimum Annual Requirement (Must be > = Zero)	= (J) - (K)	$ 11,510	$ 13,346	$ 5,190	$ 5,292	$ 7,057	$ 5,903	$ 6,096
Compliance with Rate Covenant - Section 6.07 (c)								
1. CFC Revenues	= (G)	$ 11,480	$ 13,078	$ 13,184	$ 13,286	$ 13,476	$ 13,665	$ 13,854
2. Transfers from CFC Stabilization Fund		-	-	-	-	-	-	-
3. Earnings on investments		79	318	318	318	318	318	318
4a. Contingent Payments		-	-	-	-	-	-	-
4b. Facility Payments		-	-	-	-	2,750	3,300	3,300
5. Amount on Deposit in Coverage Fund		2,833	2,833	2,833	2,833	2,833	2,833	2,833
Total Funds Available for Bonds Coverage Requirement	= (L)	$ 14,392	$ 16,229	$ 16,334	$ 16,437	$ 19,376	$ 20,116	$ 20,305
Bonds Coverage Requirement	(M) = (H) x 1.25	$ -	$ -	$ 10,327	$ 10,327	$ 11,796	$ 14,162	$ 14,158
Debt Service coverage ratio								
Including Coverage Fund (Must be > 1.25x)	= (L) / (H)			1.98x	1.99x	2.05x	1.78x	1.79x
Excluding Coverage Fund				1.63x	1.65x	1.75x	1.53x	1.54x

Source: Connecticut Airport Authority and LeighFisher.

Notes: (1) Forecast based on assumptions described in the Report.
(2) The CFC rate increased to $8.40 effective February 1, 2019 (March 1, 2019 was assumed for cash flow modeling).

CERTAIN INVESTMENT CONSIDERATIONS

Prospective purchasers of the Series 2019 Bonds are urged to read this Official Statement, including all Appendices, in its entirety. The Authority's ability to derive Project Revenues from CFCs, Contingent Payments and Facility Payments, sufficient to pay debt service on the Series 2019 Bonds, depends on various factors, most of which are not subject to the control of the Authority. The following information should be considered by prospective investors, in addition to the other matters set forth in this Official Statement in evaluating the Series 2019 Bonds. However, it does not purport to be a comprehensive or exhaustive discussion of risks or other considerations which may be relevant to an investment in the Series 2019 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such considerations. There can be no assurance that other risk factors not discussed herein will not become material in the future.

The Series 2019 Bonds may not be suitable investments for all persons, and prospective purchasers should evaluate the investment considerations and merits of an investment in the Series 2019 Bonds, and confer with their own legal and financial advisors before considering a purchase of the Series 2019 Bonds.

Series 2019 Bonds Are Special Limited Obligations

The Series 2019 Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of the Trust Estate, which includes, among other things (a) CFC Revenue collected by the Rental Car Companies and remitted to the Trustee, as assignee of the Authority, monthly Facility Payments made by the Rental Car Companies to the Trustee, as assignee of the Authority and, under certain circumstances, Contingent Payments payable by the Rental Car Companies to the Trustee, as assignee of the Authority, and (b) certain funds and accounts held by the Trustee under the Indenture. ***No revenues of the Authority, other than the CFC Revenue, Contingent Payments and Facility Payments, are pledged to the payment of the Series 2019 Bonds. Neither the Project nor any other properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Series 2019 Bonds, and neither the full faith and credit nor the taxing power of the Authority, the State or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Series 2019 Bonds.***

Factors Affecting Collection of Project Revenues

The payment of the Series 2019 Bonds is dependent on the generation of sufficient Project Revenues (CFCs, Facility Payments and Contingent Payments) in each Fiscal Year. Project Revenues are contingent upon, and the amount generated will be impacted by, a variety of factors, including: completion of the construction of and the opening of the CONRAC; aviation activity and the rental of motor vehicles at the Airport; the airlines' service and route networks; the financial health and viability of the airline and rental car industries; levels of disposable income; national and international economic and political conditions, including disruptions caused by airline incidents, acts of war and terrorism; the availability and price of aviation fuel and gasoline; levels of air fares and car rental rates at the Airport; the capacity of the national air traffic control system; the capacity at the Airport and the CONRAC; competition at the Airport from other ground transportation providers, including transportation network companies, and with respect to the Facility Payments and Contingent Payments the financial health and viability of the Rental Car Companies. See the discussion of factors affecting aviation demand at the Airport under "—Certain Airline Industry Investment Considerations" below.

Construction and Operation of the Project

Construction Risks. The Authority's ability to complete the construction of the Project within budget and on schedule may be adversely affected by various factors including: (a) estimating errors; (b) design and engineering errors; (c) material and/or labor shortages; (d) unforeseen site conditions; (e) adverse weather conditions and other force majeure events; (f) contractor defaults and litigation; (g) labor disputes; (h) environmental issues; and (i) unavailability of other funding sources. No assurance can be made that the Project will not cost more than the current budget or take more time than currently scheduled. As discussed above, under the Design-Build Contract, the Project has a stipulated lump sum LSP of $195,900,000. The LSP represents a fixed rather than an estimated amount, based upon actual item prices and estimated quantities, for which the General Contractor has made a firm commitment in order to complete the Project. The Project budget also includes contingency amounts for certain types of unforeseen conditions. The LSP covers all components of the Project, excluding certain tenant improvement work which is the responsibility of respective Rental Car Companies under their Rental Car Lease and Operating Agreements. The Rental Car Companies have agreed to allow the General Contractor to perform the tenant improvement work under the Developer's oversight, thereby eliminating potential conflicts among multiple prime contractors. All construction work is fully secured by payment and performance bonds, with contract provisions providing for payment of any surety bond proceeds to the Trustee, if necessary, to ensure Project completion

Damage and Destruction; Insufficient Moneys to Redeem All Series 2019 Bonds. Pursuant to the Indenture, the Authority will covenant to procure and maintain commercial insurance with respect to the Project (including the GTC). However, there can be no assurance that the GTC will not suffer extraordinary and unanticipated losses, for which insurance cannot be or has not been obtained, or that the amount of any such loss for the period during which the GTC is not available for use will not exceed the coverage of such insurance policies. As described under "APPENDIX B—FORM OF TRUST INDENTURE—Section 6.12 – Casualty and Condemnation," if insurance proceeds are not sufficient to restore the GTC to its pre-existing condition, the Authority is required to issue Additional Bonds, use amounts on deposit in the Renewal and Replacement Fund and the CFC Surplus Fund, and continue to collect and use CFC Revenue (collectively, together with any available insurance proceeds, "Available Amounts"), to restore the GTC to its pre-existing condition. If Available Amounts are not sufficient to restore the GTC to its pre-existing condition, the Authority will be required to redeem all or a portion of the Series 2019 Bonds as described under "DESCRIPTION OF THE SERIES 2019 BONDS—Redemption Provisions—Extraordinary Mandatory Redemption of the Series 2019 Bonds." In the event of an Extraordinary Mandatory Redemption, sufficient moneys may not be available to redeem all of the Outstanding Series 2019 Bonds.

Additionally, as described under "THE PROJECT—Rental Car Lease and Operating Agreement —Termination of Rental Car Lease and Operating Agreement —Termination by a Rental Car Company," in the event the Airport or a material portion of the Airport or Airport facilities (including the CONRAC) is destroyed, resulting in material interference with a Rental Car Company's normal business operations or substantial diminution of such Rental Car Company's gross revenues at the Airport for a period in excess of 90 consecutive days the Rental Car Company may terminate its Rental Car Lease and Operating Agreement. If a Rental Car Company were to terminate its Rental Car Lease and Operating Agreement for the reason described above, it would no longer be required to pay Contingent Payments or Facility Payments.

Events of Force Majeure and Other Delays. Construction and operation of the Project are at risk from events of force majeure, such as earthquakes, tornados, hurricanes or other natural disasters, epidemics, blockades, rebellions, war, riots, acts of sabotage, terrorism or civil commotion, and spills of hazardous materials, among other events. Construction or operations may also be stopped or delayed

from non-casualty events such as discovery of archaeological artifacts, changes in law, delays in obtaining or renewing required permits, revocation of such permits and approvals and litigation, among other things.

Unavailability of, or Delay in, Anticipated Funding Sources for Construction of the Project. As described herein, the Authority anticipates that funding for the Project will be provided by a portion of the proceeds of the Series 2019 Bonds, CFCs previously collected by the Rental Car Companies and remitted to the Authority, and CFCs to be collected by the Rental Car Companies during construction of the Project and remitted to the Trustee, as assignee of the Authority. See "PLAN OF FINANCE," "PROJECT FUNDING SOURCES USES" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT" for a description of the financing plan for the Project. In the event that CFCs projected to be collected during construction of the Project and used to pay costs of the Project are less than projected and the Authority is not able to issue or sell Additional Bonds, the completion of the Project could be substantially delayed, and financing costs could be higher than projected. Although the Authority will fund up to $5 million of a Project Contribution to cover Project contingency costs incurred in excess of the LSP, there can be no assurances that such circumstances will not materially adversely affect the amount of Project Revenues available to pay debt service on the Series 2019 Bonds.

Report of the Airport Consultant

The Report of the Airport Consultant included as Appendix A to this Official Statement contains certain assumptions and forecasts. The Report of the Airport Consultant should be read in its entirety for a discussion of historical and forecasted results of air traffic activity at the Airport, car rental activity at the Airport and debt service coverage and the assumptions and rationale underlying the forecasts. As noted in the Report of the Airport Consultant, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material.

Accordingly, the projections contained in the Report of the Airport Consultant or that may be contained in any future certificate of the Authority or a consultant are not necessarily indicative of future performance, and neither the Airport Consultant nor the Authority assumes any responsibility for the failure to meet such projections. In addition, certain assumptions with respect to future business and financing decisions of the Authority are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the Series 2019 Bonds are cautioned not to place undue reliance upon the Report of the Airport Consultant or upon any projections or requirements for projections. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, the amount of CFCs may be materially less than expected and consequently, the ability of the Authority to make timely payment of the principal of and interest on the Series 2019 Bonds may be materially adversely affected.

Neither the Authority's independent auditors, nor any other independent accountants have compiled, examined or performed any procedures with respect to the Project Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Project Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Project Revenues forecast.

Ability to Meet the Minimum Annual Requirement and the Bonds Coverage Requirement

As described above under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS—Rate Covenant (Minimum Annual Requirement and Bonds Coverage Requirement)" the Authority has covenanted under the Indenture to meet the Minimum Annual Requirement and Bonds Coverage Requirement each Fiscal Year. The Authority has the ability to increase the CFC rate above the current rates in order to meet the Minimum Annual Requirement and the Bonds Coverage Requirement. The CFC rates are set by the Authority, subject to certain limitations, as described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS—Customer Facility Charges." Additionally, if there is a shortfall of CFC Revenue collected during a Fiscal Year to meet the Minimum Annual Requirement and the Bonds Coverage Requirement during such Fiscal Year, pursuant to the Rental Car Lease and Operating Agreement, the Rental Car Companies are required to pay Contingent Payments to make up such shortfall. However, in the event that conditions require the Rental Car Companies to pay Contingent Payments, there can be no assurance that such requirement to pay Contingent Payments will not affect the operations and business viability of one or more of the Rental Car Companies, which may affect car rentals, resulting in a reduction in revenues from the CFCs, and it is possible that all of such Contingent Payments will not be paid, due to bankruptcy or insolvency of a Rental Car Company or otherwise. See "—Certain Rental Car Industry Investment Considerations—Effect of Rental Car Company Bankruptcy or Financial Difficulty" below.

Restrictions Imposed on Authority to Collect CFCs

No assurance can be given that the Authority's ability to impose CFCs will not be affected by future legislation or by future legal challenges which may reduce CFC Revenue available to the Authority. To the extent that the Authority's ability to impose CFCs were reduced or eliminated, or the Authority decided to decrease the amount of CFCs it collects from customers of the Rental Car Companies, the Contingent Payments that the Rental Car Companies are required to pay would increase pursuant to the terms of the Rental Car Lease and Operating Agreements. The Authority cannot predict what, if any, effect increasing the amount of Contingent Payments due from the Rental Car Companies would have on the Rental Car Companies. See "— Certain Rental Car Industry Investment Considerations" below.

Effect of a Rental Car Company Termination of the Rental Car Lease and Operating Agreement.

As more fully described herein under the caption "THE PROJECT— Rental Car Lease and Operating Agreements —Termination of Rental Car Lease and Operating Agreements —Termination by a Rental Car Company," the Rental Car Companies have the right to terminate their respective Rental Car Lease and Operating Agreements upon the occurrence of certain events, including damage to the GTC that would interfere with the Rental Car Company's normal business operations or if the Authority does not renew its Rental Car Lease and Operating Agreement. In the event that one or more of such events were to occur, and a Rental Car Company or multiple Rental Car Companies were to terminate their Rental Car Lease and Operating Agreements, such Rental Car Companies would be required to cease operations at the Airport and either become off-Airport rental car companies or cease serving the Airport. Off-Airport rental car companies are not required to make Contingent Payments or Facility Payments, but are required to collect CFCs. Therefore, the remaining Rental Car Companies would be liable for their proportionate share of Contingent Payments and Facility Payments due from the Rental Car Companies terminating their Rental Car Lease and Operating Agreements and ceasing operations at the Airport.

Upon the occurrence of one or more of the events permitting Rental Car Companies to terminate their respective Rental Car Lease and Operating Agreements, it is possible that all Rental Car Companies could terminate their Rental Car Lease and Operating Agreements and cease serving the Airport. In such

circumstances, the Authority would expect to re-negotiate a Rental Car Lease and Operating Agreement acceptable to one or more Rental Car Companies to serve the demand for rental cars at the Airport. In that event, while rental car demand may not be affected, CFC collections could be affected until one or more Rental Car Companies is in place with sufficient capacity to accommodate additional customers.

For the reasons described in the paragraphs above, the termination by one or more Rental Car Companies of their related Rental Car Lease and Operating Agreement upon the occurrence of one or more of the events permitting a Rental Car Lease and Operating Agreement termination could have an adverse effect on the level of collection of CFCs, Facility Payments and Contingent Payments and thus the payment of debt service on the Series 2019 Bonds, and the marketability and value of the Series 2019 Bonds.

Initial Term of Rental Car Lease and Operating Agreements Shorter than Term of the Series 2019 Bonds

The Rental Car Lease and Operating Agreements will have an initial term of twenty years, subject to two five-year extensions, exercised by mutual agreement. The final maturity of the Series 2019 Bonds will be thirty years. The initial twenty-year term of the Rental Car Lease and Operating Agreements commences when the GTC opens, and the construction period for the GTC is expected to be approximately 41 months. Therefore, the initial term of the Rental Car Lease and Operating Agreements covers approximately 23 and one-half years of the 30-year term on the Series 2019 Bonds. If either a Rental Car Company or the Authority elects not to exercise the option to extend the term of the Rental Car Lease and Operating Agreement for that Rental Car Company, that Rental Car Company likely will be required to vacate the CONRAC and cease operations at the Airport and either become an off-Airport rental car company or cease serving the Airport. While off-Airport rental car companies are not required to make Contingent Payments or Facility Payments, they are still required to collect CFCs on behalf of the Authority. See above under "Effect of a Rental Car Company Termination of the Rental Car Lease and Operating Agreement" for a discussion of the effects of a termination of the Rental Car Lease and Operating Agreement by one or more Rental Car Companies.

Enforceability of Remedies

The rights of the owners of the Series 2019 Bonds and the enforceability of the Authority's obligation to make payments on the Series 2019 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights under existing law or under laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinions of Bond Counsel and the Authority's General Counsel as to the enforceability of the Authority's obligations will be qualified as to bankruptcy and similar events and as to the application of equitable principles and the exercise of judicial discretion in appropriate cases and to common law and statutes affecting the enforceability of contractual obligations generally and to principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Authority. See "APPENDIX D—PROPOSED FORM OF BOND COUNSEL'S OPINION."

Various state laws, constitutional provisions, and federal laws and regulations apply to the obligations created by the issuance of the Series 2019 Bonds. There can be no assurance that there will not be any change in, interpretation of or addition to the applicable laws, nor that provisions will not be changed, interpreted, or supplemented in a manner that would have a material adverse effect, directly or indirectly, on the affairs of the Authority or the Rental Car Companies.

Limitation on Amounts Available Upon the Occurrence of an Event of Default; No Acceleration or Cross-Default

Other than the pledge of the Trust Estate granted under the Indenture, no mortgage or security interest has been granted or lien created in the GTC or the other components of the Project or any properties of the Rental Car Companies or the Authority to secure the remittance of CFCs, Facility Payments, Contingent Payments or payment of the Series 2019 Bonds. ***No revenues of the Authority other than the Project Revenues are pledged to the payment of the Series 2019 Bonds***.

Upon the occurrence of an Event of Default, the Bondholders will have several remedies that they will be allowed to pursue. See "APPENDIX B—FORM OF TRUST INDENTURE—Article IX – Default and Remedies." However, any remedies will be limited to any moneys held by the Trustee under the Indenture and any Contingent Payments or Facility Payments required to be paid by the Rental Car Companies if moneys available under the Indenture are insufficient to pay all of the principal of and interest on the Series 2019 Bonds. There can be no assurance that some or all of such Contingent Payments or Facility Payments will be paid by all of the Rental Car Companies, due to bankruptcy or insolvency of a Rental Car Company or other enforcement practicalities. See "—Certain Rental Car Industry Investment Considerations—Effect of Rental Car Company Bankruptcy or Financial Difficulty" below.

There is no right of acceleration with respect to the Series 2019 Bonds. An Event of Default with respect to the Series 2019 Bonds will not, in and of itself, trigger an event of default under any other debt obligations of the Authority.

Regulations and Restrictions on Airport Facilities and Operations

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the provisions of the Airline Lease Agreements, the federal acts authorizing the imposition, and extensive federal legislation and regulations applicable to all airports in the United States.

Certain Rental Car Industry Investment Considerations

Effect of Rental Car Company Bankruptcy or Financial Difficulty. The enforceability of the Rental Car Lease and Operating Agreements and collection of Contingent Payments and Facility Payments from each Rental Car Company may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights under existing law or under laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. Such matters could make provisions of the Rental Car Lease and Operating Agreements and collection of Contingent Payments and Facility Payments unenforceable.

In the event a bankruptcy case is filed with respect to a Rental Car Company, a bankruptcy trustee or the Rental Car Company as debtor-in-possession could reject its Rental Car Lease and Operating Agreement, in which event such agreement(s) would be terminated and such Rental Car Company would be required to vacate the CONRAC. In such circumstances, while rental car demand would not be affected, CFC collections could be affected until other Rental Car Companies are able to increase their capacity to accommodate additional customers. Additionally, if such agreement(s) would be terminated, the obligation of the Rental Car Company to pay Contingent Payments and Facility Payments may not be enforceable.

Additionally, in the event a bankruptcy case is filed with respect to a Rental Car Company, notwithstanding the fact that CFCs collected by a Rental Car Company are not income, revenue or any other asset of the Rental Car Company, but rather are subject at all times to a first lien for the repayment of the Series 2019 Bonds and are being held in trust by the Rental Car Companies for the benefit of the Authority, CFCs collected by a Rental Car Company, but not yet remitted to the Trustee prior to the filing of the bankruptcy petition, may be included in the bankruptcy estate, resulting in the Authority having a general creditor claim for payment of such amounts or otherwise render them uncollectible by the Authority. Regardless of any specific adverse determinations in a Rental Car Company bankruptcy proceeding, the fact of a Rental Car Company bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2019 Bonds.

The ability of the Authority to meet the Minimum Annual Requirement and the Bonds Coverage Requirement each Fiscal Year is dependent upon CFC Revenue collected by the Rental Car Companies and remitted to the Trustee, as assignee of the Authority, Facility Payments made to the Trustee, as assignee of the Authority, and the payment of Contingent Payments in the event CFC Revenue is not sufficient to meet the Minimum Annual Requirement and the Bonds Coverage Requirement. The ability of each Rental Car Company to pay Facility Payments and Contingent Payments in the amounts and on schedule as provided in the respective Rental Car Lease and Operating Agreement is dependent on the financial health and viability of such Rental Car Company. Certain of the Rental Car Companies are limited liability companies or private corporations and information regarding the business operations, assets and financial strength of the Rental Car Companies is not readily available. The financial performance of the Rental Car Companies and their ability to pay Facility Payments and Contingent Payments throughout the term of the Series 2019 Bonds is dependent on numerous factors which are not possible to assess or predict.

Concentration of Rental Car Companies Operating at the Airport. Rental Car Lease and Operating Agreements have been entered into with the Rental Car Companies representing 10 rental car brands. Three of these Rental Car Companies represent 10 brands that generated 100% of the gross revenue from rental car activities at the Airport in Fiscal Year 2018. In addition to the 10 rental car company brands operating at the Airport in Fiscal Year 2018, the Authority has entered into a Rental Car Lease and Operating Agreement with Sixt Rent a Car, LLC which will operate at the GTC when it opens. The concentration of the actual and projected rental car activity at the Airport in a small number of corporate entities increases the risk of factors that may impact the operations and activities of the Rental Car Companies. The termination of a Rental Car Lease and Operating Agreement, bankruptcy or financial difficulty, or cessation of operations of a Rental Car Company could have an adverse impact on the amounts of CFCs, Facility Payments and Contingent Payments available to pay the principal of and interest on the Series 2019 Bonds.

Factors Affecting Rental Car Activity.

Rental Car Activity. As described in the Report of the Airport Consultant, rental car demand at the Airport, and therefore the number of rental car transaction days to which the CFC applies, is highly correlated to passenger demand. The Airport Consultant also concludes, based on historical rental car data and based on the assumptions set forth in the Report of the Airport Consultant, that the number of rental car transaction days at the Airport is primarily a function of the number of visiting O&D deplaned passengers. Other factors found by the Airport Consultant to affect rental car demand at the Airport include: convenience and capacity of airport rental car facilities; market segmentation (business/leisure); rental car trends and pricing; customer facility charge levels; rental car costs as a component of total travel costs; and alternative forms of ground transportation at the Airport. For a full discussion of these and other factors affecting rental car activity, see "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

A significant component of renting a car at most major U.S. airports is the growing list of add-on fees and taxes, including CFCs, and unbundled rental car operating costs such as tire recycling fees and facility maintenance costs. To the extent add-on fees and taxes, including CFCs, increase, rental car demand could decrease as potential customers opt for alternative modes of transportation that they perceive to be more cost effective than renting a car, thus reducing the total amount of CFCs collected. The Authority is unable to predict what impact, if any, the imposition or increase of such add-on fees and taxes, including CFCs, could have on rental car demand at the Airport. See "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Competition and Alternative Modes of Ground Transportation. Unlike larger airports in the northeastern United States, the Airport lacks direct, efficient public transportation links to the main metropolitan areas served by the Airport. There are no subway or commuter rail facilities at the Airport, and scheduled bus service reaching nearby population centers and rail links is limited. Visiting passengers landing at the Airport currently have a number of options for accessing their ultimate destination, including rental cars, taxis, limousines and town cars, transportation network companies ("TNCs") such as Lyft and Uber, and shuttle services.

These alternative forms of ground transportation available at and near the Airport could reduce the demand for renting motor vehicles at the CONRAC. Various forms of car-sharing and on-demand vehicle services are also becoming increasingly prevalent and popular with the public, and may offer competition that could reduce the demand for car rentals at the Airport. For a further description of these alternate modes of transportation and their impact on rental car demand, see of "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Certain Airline Industry Investment Considerations

Factors Affecting the Airline Industry.

General. The Series 2019 Bonds will be payable solely from Project Revenues and certain funds and accounts held by the Trustee and the Authority under the Indenture. The ability to pay debt service on the Series 2019 Bonds will depend on the receipt of sufficient Project Revenues, including CFCs, Contingent Payments and Facility Payments. The Authority's ability to generate Project Revenues depends upon many factors which may be affected by airline operations at the Airport, many of which are not subject to the control of the Authority. Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the number of rental car transactions at the Airport, include: economic, political, and security conditions; financial health of the airline industry; airline service and routes; airline competition and airfares; availability and price of aviation fuel; aviation safety and security concerns; capacity of the national air traffic control system; and capacity of the Airport. If aviation and enplaned passenger traffic at the Airport do not meet forecast levels, a corresponding reduction could occur in forecasted rental car transaction days and CFCs.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001 and the economic recession that occurred between 2008 and 2009. Business decisions by airlines, such as the reduction, or elimination, of service to unprofitable markets, increasing the use of smaller, regional jets and changing hubbing strategies have also affected air traffic at the Airport and could have a more pronounced effect in the future.

Following are just a few of the factors affecting the airline industry including, economic, political, and security conditions, financial health of the airline industry, and availability and price of aviation fuel. See also "—Aviation Security Concerns" below for additional discussion on the costs of security.

Economic, Political, and Security Conditions. Historically, airline passenger traffic nationwide has correlated closely with the state of the United States economy and levels of real disposable income. Recessions in the United States economy in 2001 and 2008-2009 and associated high unemployment reduced discretionary income and resulted in reduced airline travel.

With the globalization of business and the increased importance of international trade and tourism, international economics, trade balances, currency exchange rates, government policies, and political relationships all influence passenger traffic at major United States airports.

Concerns about hostilities, terrorist attacks, and other perceived security and public health risks and associated travel restrictions also affect travel demand to and from particular international destinations. Beginning in March 2017, the Trump administration has issued various orders and proclamations seeking to restrict travel to the United States from certain countries, mainly in the Middle East and Africa, that are deemed by the administration not to meet standards for screening visa applicants. Following court challenges, in June 2018, the United States Supreme Court upheld the administration's most recent travel restrictions. As the restrictions are implemented, increased scrutiny by United States Customs and Border Protection will likely prevent or discourage some travel.

Sustained future increases in international passenger traffic at the Airport will depend on global economic growth, stable and secure international conditions, and government policies that do not unreasonably restrict of deter travel.

Financial Health of the Airline Industry. The number of passengers at the Airport will depend partly on the profitability of the United States airline industry and the associated ability of the industry and individual airlines, particularly American and Southwest, to make the necessary investments to provide service.

As a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 attacks, increased fuel and other operating costs, and price competition, the industry experienced huge financial losses. From 2001 to 2006, the major United States passenger airlines collectively recorded net losses of approximately $46 billion. To mitigate those losses, all of the major network airlines restructured their route networks and flight schedules and reached agreements with their employees, lessors, vendors, and creditors to cut costs, either under Chapter 11 bankruptcy protection or the possibility of such. Between 2002 and 2005, Delta Air Lines, Northwest, United, and US Airways all filed for bankruptcy protection and restructured their operations.

In 2007, the United States passenger airline industry as a whole was profitable, recording net income of approximately $7 billion, but in 2008, as oil and aviation fuel prices increased to unprecedented levels, the industry experienced a profitability crisis. In 2008 and 2009, the United States passenger airline industry recorded net losses of approximately $26 billion. The industry responded by, among other actions, grounding less fuel-efficient aircraft, eliminating unprofitable routes and hubs, reducing seat capacity, and increasing airfares. Between 2007 and 2009, the United States passenger airlines collectively reduced domestic capacity by approximately 10%, as measured by available seat-miles.

From 2010 to 2013, the United States passenger airline industry as a whole recorded net income of approximately $18 billion, notwithstanding sustained high fuel prices, by controlling capacity and nonfuel expenses, increasing airfares, recording high load factors, and increasing ancillary revenues. Between 2009 and 2013, the airlines collectively increased domestic seat-mile capacity by an average of 1.0% per year. American filed for bankruptcy protection in 2011.

In 2014, the United States passenger airline industry reported net income of $9 billion, assisted by reduced fuel prices in the second half of the year. In 2015, the industry achieved record net income of $26 billion as fuel prices decreased further, demand remained strong, and capacity control allowed average fares and ancillary charges to remain high. Strong industry profitability continued in 2016 through mid-2018. Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, and stable fuel prices.

Consolidation of the United States airline industry has resulted from the acquisition of Trans World by American in 2001, the merger of US Airways and America West in 2005, the merger of Delta Air Lines and Northwest in 2009, the merger of United and Continental in 2010, the acquisition of AirTran by Southwest in 2011, the merger of American and US Airways in 2013, and the acquisition of Virgin America by Alaska Airlines in 2016.

Such consolidation has resulted in four airlines (American, Delta, Southwest and United) and their regional affiliates now accounting for approximately 80% of domestic seat-mile capacity. The consolidation is expected by airline industry analysts to contribute to continued industry profitability. However, any resumption of financial losses could cause one or more United States airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports, present business opportunities for the remaining airlines, and change airline travel patterns nationwide.

Airline Service and Routes. The Airport serves as a gateway to the Airport Service Region. The number of origin and destination passengers at the Airport depends on the intrinsic attractiveness of the Airport Service Region as a business and leisure destination, the propensity of its residents to travel, and the airline fares and service provided at the Airport and at other competing airports. Although passenger demand at an airport depends primarily on the population and economy of the Airport Service Region served, airline service and the numbers of passengers enplaned also depend on the route networks of the airlines serving that airport.

The larger airlines have developed hub-and-spoke systems that allow them to offer high-frequency service to many destinations. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route network and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the United States airline industry has consolidated, airline service has been drastically reduced at many former connecting hub airports. The Airport serves almost exclusively originating passengers and is not dependent on connecting passengers.

Airline Competition and Airfares. Airline fares have an important effect on passenger demand, particularly for relatively short trips for which automobile and other surface travel modes are potential alternatives, and for price-sensitive "discretionary" travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; taxes, fees, and other charges assessed by

governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airport, will depend, in part, on the level of airfares.

Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the Internet, and other competitive factors combined to reduce airfares between 2000 and 2005. During that period, the average domestic yield for United States flag airlines decreased from 16.1 cents to 13.8 cents per passenger-mile. In 2006 through 2008, as airlines reduced capacity and were able to sustain fare increases, the average domestic yield increased to 15.9 cents per passenger-mile. In 2009, yields again decreased, but, beginning in 2010, as airline travel demand increased and seat capacity was restricted, yields increased to 17.7 cents per passenger-mile by 2015. Between 2015 and 2017, domestic yields decreased to 16.6 cents per passenger-mile, reflecting lower aviation fuel prices and increased airline competition.

Beginning in 2006, charges have been introduced by most airlines for optional services such as check baggage, preferred seating, in-flight meals, and entertainment, thereby increasing the effective price of airline travel more than yield figures indicate.

Availability and Price of Aviation Fuel. The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Beginning in 2003, aviation fuel prices increased as a result of the invasion and occupation of Iraq; political unrest in other oil-producing countries; the growing economies of China, India, and other developing countries; and other factors influencing the demand for and supply of oil. By mid-2008, average fuel prices were three times higher than they were in mid-2004 and represented the largest airline operating expense, accounting for between 30% and 40% of expenses of most airlines. Fuel prices decreased sharply in the second half of 2008 as demand for oil declined worldwide, but then increased beginning in early 2009 as demand increased.

Between 2011 and 2014, aviation fuel prices were relatively stable, partly as a result of increased oil supply from United States domestic production made possible by the hydraulic fracturing of oil-bearing shale deposits and other advances in extraction technologies. As of mid-2014, average fuel prices were approximately three times those prevailing at the end of 2003.

Beginning in mid-2014, an imbalance between worldwide supply and demand resulted in precipitous decline in the price of oil and aviation fuel. Decreased demand from China and other developing countries, combined with the lifting of trade sanctions on Iran and continued surplus in the worldwide supply resulted in reductions in fuel prices through early 2016. Fuel prices have since increased, but the average price of aviation fuel at the end of 2018 was still approximately 70% of the price at mid-2014. Lower fuel prices are having a positive effect on airline profitability as well as far-reaching implications for the global economy.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term, although, absent unforeseen disruptions, prices are expected to remain low for some time. There is widespread agreement that fuel prices are likely to increase over the long term as global energy demand increases in the face of finite oil supplies that are becoming more expensive to extract, although some economists predict that the development of renewable sources of energy, pressures to combat global climate change, the widespread use of electric cars, and other trends will eventually result in a decline in the demand for oil and associated downward pressure on fuel prices.

Aviation fuel prices will continue to affect airfares, passenger numbers, airline profitability, and the ability of airlines to provide service. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as a part of efforts to reduce aircraft emissions contributing to climate change.

Aviation Safety and Security Concerns. Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screen procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the September 2001 attacks were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthening aircraft cockpit doors, changed flight crew procedures, increased presence of armed federal air marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers and baggage, and deployment of new screening technologies. The TSA has introduced "pre-check" service to expedite the screening of passengers who have submitted to background checks.

Historically, airline demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, and other aviation safety concerns. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, it can be expected that future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Capacity of the National Air Traffic Control System. Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transportation System ("NextGen") air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigations aids and procedures. Since 2007, airline traffic delays have decreased as a result of reduced numbers of aircraft operations (down approximately 17% between 2007 and 2017) but, as airline travel increases in the future, flight delays and restrictions can be expected.

Capacity of the Airport. In addition to any future constraints that may be imposed by the capacity of the national air traffic control and national airport systems, future growth in airline traffic at the Airport will depend on the capacity of the Airport itself. The airline traffic forecast that follows is conditioned on the assumption that, during the forecast period, neither available airfield or terminal capacity, nor demand management initiatives by regulatory agencies or the Authority itself, will constrain traffic growth at the Airport.

Structural Changes in the Travel Market. Many factors have combined to alter consumer travel patterns. The threat of terrorism against the United States remains high. As a result, the federal government has mandated various security measures that have resulted in new security taxes and fees and longer passenger processing and wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. Additionally, consumers have become more price-sensitive. Efforts of airlines to stimulate traffic by heavily discounting fares have changed consumer expectations regarding airfares. Consumers have come to expect extraordinarily low fares. In addition, the availability of fully transparent price information on the Internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. Consumers have shifted from purchasing paper tickets from travel agencies or airline ticketing offices to purchasing electronic tickets over the Internet. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the

higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video-conferencing.

Competing Airports. As discussed in the Report of the Airport Consultant, there are 10 other commercial service airports located throughout Airport Service Region (Albany International Airport, Boston Logan International Airport, Newark Liberty International Airport, Westchester County Airport, Tweed New Haven Airport, John F. Kennedy International Airport, LaGuardia Airport, Westchester Regional Airport, T.F. Green Airport, and Stewart International Airport). The Authority is unable to predict how competition or growth by other airports in the Airport Service Region may impact air travel to and from the Airport, and whether any such effects will be material.

Cyber-Security. The Authority, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "Systems Technology"). As a recipient and provider of personal, private, or sensitive information, the Authority may be the target of cybersecurity incidents that could result in adverse consequences to the Authority and its Systems Technology, requiring a response action to mitigate the consequences. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Authority's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

Climate Change Issues

Possible Increased Regulations. Climate change concerns are leading to new laws and regulations at the federal and state levels that could have a material adverse effect on airlines operating at the Airport and also could affect ground operations at airports.

The U.S. Environmental Protection Agency (the "EPA") has taken steps towards the regulation of greenhouse gas ("GHG") emissions under existing federal law. Those steps may in turn lead to further regulation of aircraft GHG emissions. Regulation by the EPA can be initiated by private parties or by governmental entities other than EPA. In 2007, several states petitioned the EPA to regulate GHGs from aircraft. On July 30, 2008, the EPA issued an Advanced Notice of Proposed Rulemaking ("ANPR") relating to GHG emissions and climate change. Part of the ANPR requested comments on whether and how to regulate GHG emissions from aircraft. The final rule, the Mandatory Reporting of Greenhouse Gases Rule (74 FR 56260), requires reporting of GHG data and other relevant information from large stationary sources and electricity and fuel suppliers, but not mobile aircraft. While the EPA has not yet taken any action to regulate GHG emissions from aircraft, regulation may still be forthcoming. On July 5, 2011, the U.S. District Court for the District of Columbia issued an order concluding that the EPA has a mandatory obligation under the Clean Air Act to consider whether the greenhouse gas and black carbon emissions of aircraft engines endanger public health and welfare. The EPA is in the process of determining whether greenhouse gas and black carbon emissions of aircraft engines endanger public health and welfare. The Authority cannot predict what the EPA's findings will be or what effect they will have on the Authority or the air traffic or rental car operations at the Airport.

The Authority is unable to predict what federal and/or state laws and regulations with respect to GHG emissions will be adopted, or what effects such laws and regulations will have on airlines serving the Airport or air traffic and rental car operations at the Airport. The effects, however, could be material.

Potential Limitation of Tax Exemption of Interest on Series 2019 A Bonds

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Series 2019 A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions may also cause interest on the Series 2019 A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions may also affect the market price for, or marketability of, the Series 2019 A Bonds. Prospective purchasers of the Series 2019 A Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. See "TAX MATTERS—Changes in Federal and State Tax Law."

Secondary Market

No assurance can be given concerning the existence of any secondary market in the Series 2019 Bonds or its creation or maintenance by the Underwriters. Thus, purchasers of Series 2019 Bonds should be prepared, if necessary, to hold their Series 2019 Bonds until their respective maturity dates.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements". When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. See "INTRODUCTION—Forward-Looking Statements."

Any financial projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to the prospective financial information. The Authority's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained in this Official Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The Authority's independent auditors have not been consulted in connection with the preparation of any financial projections contained in this Official Statement and the Authority's independent auditors assume no responsibility for its content.

RENTAL CAR COMPANY INFORMATION

Certain of the Rental Car Companies or their parent corporations are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, as such are required to file periodic reports, including financial and operational data, with the Securities and Exchange Commission (the "SEC"). All such reports and statements can be inspected and copies obtained at prescribed rates in the Public Reference Room of the SEC at 100 F Street, NE, Room 1580, Washington, DC 20549. The SEC maintains a website at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC.

The Authority undertakes no responsibility for and makes no representations as to the accuracy or completeness of the content of information available from the SEC as discussed in the preceding paragraph, including, but not limited to, updates of such information on the SEC's website or links to other Internet sites accessed through the SEC's website.

See also "CERTAIN INVESTMENT CONSIDERATIONS" for discussions regarding the financial condition of the Rental Car Companies and the effects of bankruptcies of the Rental Car Companies on the ability of the Authority to pay principal of and interest on the Series 2019 Bonds.

LITIGATION

No Litigation Relating to Series 2019 Bonds

There is no litigation now pending or, to the best of the Authority's knowledge, threatened which seeks to restrain or enjoin the sale, issuance or delivery of the Series 2019 Bonds or in any way contests the validity of the Series 2019 Bonds or any proceedings of the Board taken with respect to the authorization, sale or issuance of the Series 2019 Bonds, the pledge or application of any moneys provided for the payment of or security for the Series 2019 Bonds, or the use of the proceeds of the Series 2019 Bonds.

Litigation Relating to the Authority and the Airport

There are a number of litigation matters pending against the Authority for incidents at the Airport. These claims and suits are of a nature usually incident to the operation of the Airport and, in the aggregate, in the opinion of Authority management, based upon the advice of its General Counsel, will not have a material adverse effect on the Authority. It should be noted that a portion of the claims relating to personal injuries and property damage are covered by a comprehensive insurance program maintained by the Authority for the Airport.

There are no material claims or litigation arising out of or challenging any federal fund or grants held by the Authority to date.

TAX MATTERS

Series 2019 A Bonds (AMT)

Federal Income Taxes. The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Series 2019 A Bonds in order for interest on the Series 2019 A Bonds to be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. Non-compliance with such requirements could cause interest on the Series 2019 A Bonds to be included in gross income retroactive to the date of issuance of the Series 2019 A Bonds. The Tax Compliance Certificate, which will be executed and delivered by the Authority concurrently with the Series 2019 A Bonds, will contain representations, covenants and procedures relating to compliance with such requirements of the Code. Pursuant to the Tax Compliance Certificate, the Authority will also covenant and agree that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Series 2019 A Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Authority with its covenants and the procedures contained in the Tax Compliance Certificate, interest on the Series 2019 A Bonds is excluded from gross income for federal

income tax purposes. In the opinion of Bond Counsel, interest on the Series 2019 A Bonds is a specific preference item in computing the federal alternative minimum tax imposed on individuals. No federal alternative minimum tax applies to corporations for tax years beginning on or after January 1, 2018.

Bond Counsel expresses no opinion as to the exclusion from gross income for federal income tax purposes of interest on any Series 2019 A Bond for any period during which such Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of such Bond or a "related person" (each as defined in Section 147(a) of the Code).

Ownership of the Series 2019 A Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Series 2019 A Bonds. **Prospective purchasers of the Series 2019 A Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Series 2019 A Bonds.**

Original Issue Premium. The initial public offering price of certain maturities of the Series 2019 A Bonds (the "Series 2019 A Premium Bonds") may be greater than the principal amount payable on such Series 2019 A Premium Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Series 2019 A Premium Bonds is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Series 2019 A Premium Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Series 2019 A Premium Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Series 2019 A Premium Bonds by such owner. Amortized original issue premium on the Series 2019 A Premium Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. **Prospective purchasers of the Series 2019 A Premium Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of, and receipt of interest on, the Series 2019 A Premium Bonds.**

State Taxes. In the opinion of Bond Counsel, based on existing statutes, interest on the Series 2019 A Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Interest on the Series 2019 A Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Prospective purchasers of the Series 2019 A Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Series 2019 A Bonds.

General. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. The opinion represents Bond Counsel's legal judgment as to the exclusion of interest on

the Series 2019A Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal revenue Service or any court. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective. On the date of delivery of the Series 2019A Bonds, Bond Counsel will deliver its opinion in the form attached hereto as Appendix D.

The above discussion does not purport to deal with all aspects of federal, state and local taxation that may be relevant to a particular owner of a Series 2019 A Bond. **Prospective purchasers of the Series 2019 A Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of ownership and disposition of, and receipt of interest on, the Series 2019 A Bonds.**

Series 2019 B Bonds (Federally Taxable)

Federal Income Taxes. In the opinion of Bond Counsel, under existing law, interest on the Series 2019 B Bonds is included in gross income for federal income tax purposes pursuant to the Code.

United States Tax Consequences. The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of the Series 2019 B Bonds by certain persons. This summary does not consider all possible federal income tax consequences of the purchase, ownership, or disposition of, or receipt of interest on, the Series 2019 B Bonds and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Series 2019 B Bond at its issue price, which is the first price at which a substantial amount of the Series 2019 B Bonds is sold to the public, and who hold Series 2019 B Bonds as "capital assets" within the meaning of the Code (generally, property held for investment). This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Series 2019 B Bonds as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprising a bond and one or more other investments, or United States Holders (as defined below) that have a "functional currency" other than the United States dollar. This summary is applicable only to a person (a "United States Holder") who or that is the beneficial owner of Series 2019 B Bonds and is (a) an individual citizen or resident of the United States, (b) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or any State (including the District of Columbia), or (c) certain estates and trusts with specific connections to the United States. Partnerships holding Series 2019 B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2019 B Bonds (including their status as a United States Holder). This summary is based on the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or interpretations thereof any of which may be applied retroactively. Except as provided below, it does not discuss the tax laws of any state, local, or foreign governments.

United States Holders.

Payments of Stated Interest. In general, for a United States Holder, interest on a Series 2019 B Bond will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner's method of accounting for tax purposes.

Purchase, Sale, Exchange, and Retirement of Series 2019 B Bonds. A United States Holder's adjusted basis in a Series 2019 B Bonds generally will equal its cost, reduced by the amount of any

amortizable bond premium applied to reduce interest on the S Series 2019 B Bonds. A United States Holder generally will recognize gain or loss on the sale, exchange, or retirement of a Series 2019 B Bonds equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Holder's adjusted basis in the Series 2019 B Bonds. Any such gain or loss recognized on the sale, exchange or retirement of a Series B Bond generally will be capital gain or loss and will be long-term capital gain or loss if the Series 2019 B Bonds was held for more than one year. The defeasance or material modification of the terms of any Series 2019 B Bonds may result in a deemed reissuance thereof, in which event a United States Holder may recognize taxable gain or loss without any corresponding receipt of proceeds.

Medicare Tax Affecting United States Holders. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. **Holders of the Series 2019 B Bonds should consult their own tax advisors regarding the application of this tax to interest earned on the Series 2019 B Bonds and to gain on the sale of a Series 2019 B Bond.**

Information Reporting. In general, information reporting requirements will apply with respect to payments to a United States Holder of principal and interest on the Series 2019 B Bonds, and with respect to payments to a United States Holder of any proceeds from a disposition of the Series 2019 B Bonds. This information reporting obligation, however, does not apply with respect to certain United States Holders including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the IRS that it has failed properly to report payments of, interest and dividends, a backup withholding tax generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the United States Holder on or with respect to the Series 2019 B Bonds. **Prospective United States Holders should consult their tax advisors concerning the application of backup withholding rules.**

Foreign Investors. An owner of a Series 2019 B Bond that is not a United States Holder and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series 2019 B Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Series 2019 B Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States Holder and providing the name and address of such owner).

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, United States withholding tax will apply to interest paid on Series 2019 B Bonds owned by foreign investors. In those instances in which payments of interest on the Series 2019 B Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Series 2019 B Bonds held by foreign investors. **Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series 2019 B Bond.**

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any

owner of a Series 2019 B Bond incurs acquisition indebtedness with respect to such bond, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. **Each potential tax-exempt holder of a Series 2019 B Bond is urged to consult its own tax advisor regarding the application of these provisions.**

State Taxes. In the opinion of Bond Counsel, based on existing statutes, interest on the Series 2019 B Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Interest on the Series 2019 B Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Prospective purchasers of the Series 2019 B Bonds are advised to consult their own tax advisors regarding other state and local tax consequences of ownership and disposition of, and receipt of interest on, the Series 2019 B Bonds.

General. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective. On the date of delivery of the Series 2019 B Bonds, Bond Counsel will deliver its opinion in the form attached hereto as Appendix D.

The above discussion does not purport to deal with all aspects of federal, state and local taxation that may be relevant to a particular owner of a Series 2019 B Bond. **Prospective purchasers of the Series 2019 B Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of ownership and disposition of, and receipt of interest on, the Series 2019 B Bonds.**

Changes in Federal and State Tax Law

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2019 A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Series 2019 A Bonds will not have an adverse effect on the tax status of interest on the Series 2019 A Bonds or the market value or marketability of the Series 2019 A Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2019 A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax and eliminated the tax-exempt advance refunding of tax-exempt bonds, among other things. Additionally, investors in the Series 2019 A Bonds should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Series 2019 A Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2019 A Bonds may be adversely affected and the ability of holders to sell their Tax-Exempt Bonds in the secondary market may be reduced. The Series 2019 A Bonds are not subject to special mandatory redemption, and the interest rates

on the Series 2019 A Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Series 2019 A Bonds.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Series 2019 B Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Series 2019 B Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Authority or any dealer of the Series 2019 B Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series 2019 B Bonds are acquired by such plans or arrangements with respect to which the Authority or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series 2019 B Bonds. The sale of the Series 2019 B Bonds to a plan is in no respect a representation by the Authority or the Underwriters that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Series 2019 B Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

This summary does not include a discussion of any laws, regulations or statutes that may apply to investors not covered by ERISA or Section 4975 of the Code, such as, for example, state statutes that impose fiduciary responsibility requirements in connection with the investment of assets of governmental plans, or other provisions that operate similarly to the prohibited transaction rules of ERISA. Fiduciaries of plans subject to such similar rules should consult with their counsel before investing in the Series 2019 B Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2019 Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series 2019 B Bonds maturing on July 1 of the years 2030 through 2032, inclusive (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix H to this Official Statement.

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

Assured Guaranty Municipal Corp.

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

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

Current Financial Strength Ratings

On December 21, 2018, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On June 26, 2018, S&P announced it has affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On May 7, 2018, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Capitalization of AGM

At December 31, 2018:

- The policyholders' surplus of AGM was approximately $2,533 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $1,034 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $1,873 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC are determined in accordance with statutory account principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that related to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2019 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of material incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be party of or incorporated in this Official Statement.

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

Miscellaneous Matters

AGM makes no representation regarding the Series 2019 Bonds or the advisability of investing in the Series 2019 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE"

RATINGS

S&P Global Ratings ("S&P") and Fitch Ratings Inc. ("Fitch") have assigned ratings of "A-" and "BBB", respectively, to the Series 2019 Bonds. S&P is expected to assign a rating of "AA" to the Insured Bonds based upon the issuance of the Policy by AGM at the time of delivery of the Insured Bonds. Such ratings reflect only the views of such organizations and any explanation of the meaning and significance of such ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004; and S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The respective ratings are not a recommendation to buy, sell or hold the Series 2019 Bonds. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2019 Bonds.

LEGAL MATTERS

The validity of the Series 2019 Bonds and certain other legal matters are subject to the approving opinion of Pullman & Comley, LLC, Bond Counsel to the Authority. Complete copies of the proposed forms of Bond Counsel's opinions are contained in Appendix D hereto. As Bond Counsel, Pullman & Comley, LLC undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for the Authority by the General Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Squire Patton Boggs (US) LLP.

UNDERWRITING

The Series 2019 A Bonds will be purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc. and Wells Fargo Bank N.A. (collectively, the "Underwriters") from the Authority at a price of $38,591,893.55 (which is the par amount of the Series 2019 A Bonds, plus an original issue premium of $3,330,136.00, less an underwriters' discount of $148,242.45), subject to the terms of a bond purchase agreement (the "Purchase Agreement"), between Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the Underwriters, and the Authority.

The Series 2019 B Bonds will be purchased by the Underwriters from the Authority at a price of $115,212,495.44 (which is the par amount of the Series 2019 B Bonds less an underwriters' discount of $477,504.56), subject to the terms of the Purchase Agreement.

The Purchase Agreement provides that the Underwriters will purchase all of the Series 2019 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Series 2019 Bonds set forth on the inside of the front cover hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Series 2019 Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the cover hereof.

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 have, from time to time, performed, and may in the future perform, various investment banking services for the Authority, 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 Authority.

Citigroup Global Markets Inc., an Underwriter, 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 through the financial advisor network of Fidelity. As a part of this arrangement, Citigroup Global Markets Inc. may compensate Fidelity for its selling efforts with respect to the Bonds.

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 Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), one of the underwriters of the Series 2019 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 2019 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2019 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2019 Bonds. Pursuant to the WFSLLC 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.

MUNICIPAL ADVISOR

The Authority has retained the services of Frasca & Associates, LLC, New York, New York, as Municipal Advisor in connection with the issuance of the Series 2019 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

CONTINUING DISCLOSURE

At the time of issuance of the Series 2019 Bonds, the Authority will execute and deliver a Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") substantially in the form set forth in Appendix E of this Official Statement. Pursuant to the Continuing Disclosure Undertaking, the Authority will covenant to provide, or cause to be provided, to the MSRB, through the EMMA System, in an electronic format as prescribed by the MSRB, for purposes of Rule 15c2-12 adopted by the SEC ("Rule 15c2-12"), certain annual financial information and operating data relating to the Authority and the GTC, in a timely manner, and notice of certain enumerated events. See "APPENDIX E—FORM OF CONTINUING DISCLOSURE UNDERTAKING."

If any person, other than the Authority, becomes an Obligated Person relating to the Series 2019 Bonds, the Authority shall engage in reasonable efforts to require such Obligated Person to comply with annual financial information disclosure and event notification applicable to such Obligated Person. "Obligated Person" means the Authority and each Rental Car Company or other entity using the CONRAC under a Rental Car Lease and Operating Agreement or other agreement extending for more than one year from the date in question, which includes bond debt service as part of the calculation of rental payments or other payments thereunder, under which Rental Car Lease and Operating Agreement or other agreement such Rental Car Company or other entity has paid amounts in the form of Facility Payments and/or Contingent Payments, if any, or similar payments equal to at least 20% of the debt service on the Series 2019 Bonds for each of the prior two Fiscal Years of the Authority. At the time of issuance of the Series 2019 Bonds, the Authority is the only Obligated Person with respect to the Series 2019 Bonds.

The Authority has not entered into any previous continuing disclosure undertaking and therefore it has not failed to comply in all material respects with any continuing disclosure undertakings with regard to Rule 15c2-12.

FINANCIAL STATEMENTS

The audited financial statements of the Bradley International Airport Enterprise Fund and the General Aviation Airport Enterprise Fund for Fiscal Year 2018 are included as Appendix F attached hereto. The financial statements referred to in the preceding sentence have been audited by Plante & Moran, PLLC, the Airport's independent auditor, as stated in its Independent Auditor's Report, dated October 26, 2018, included in Appendix F. The Authority has not requested the consent of Plante & Moran, PLLC, nor has Plante & Moran, PLLC consented, to the inclusion of the financial statements of the Authority or the Independent Auditor's Report in Appendix F. Plante & Moran, PLLC has not been engaged to perform, and has not performed, since the date of its Independent Auditor's Report, any procedures on the financial statements addressed in that report. Plante & Moran, PLLC also has not performed any procedures relating to this Official Statement.

Plante & Moran, PLLC, the Authority's independent auditor, has not performed or been engaged to perform any services in connection with the offering of any securities. Nor has Plante & Moran, PLLC performed or been engaged to perform any procedures on the financial statements of the Authority since the date of the Plante & Moran, PLLC report included herein. Plante & Moran, PLLC also has not performed any procedures relating to this Official Statement.

While the Airport's financial statements are included in this Official Statement, no assets or revenues of the Authority, other than the CFC Revenue, Facility Payments and Contingent Payments described in the pledge of the Trust Estate, are pledged to the payment of the Series 2019 Bonds. Additionally, while the audited financial statements of the General Aviation Airport Enterprise Fund are included in Appendix F, the General Aviation Airport Enterprise Fund is a separate enterprise fund unrelated to the Bradley International Airport Enterprise Fund and has no bearing on the financial condition of the Airport.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are set forth as such and not representations of fact. No representation is made that any of such opinions or estimates will be realized.

All references to the Act, the Indenture, the Development Agreement, the Rental Car Lease and Operating Agreements and agreements with any other parties herein and in the Appendices hereto are made subject to the detailed provisions of such documents, and reference is made to such documents and agreements for full and complete statements of the contents thereof. Copies of such documents are available for review at the offices of the Authority which are located at Bradley International Airport, Terminal A, 3rd Floor, Administrative Offices Windsor Locks, Connecticut 06096. This Official Statement is not to be construed as a contract or agreement between the Authority and the owners of any of the Series 2019 Bonds.

AUTHORIZATION

The Board has authorized the distribution of this Official Statement. This Official Statement has been duly executed and delivered by the Executive Director on behalf of the Authority.

CONNECTICUT AIRPORT AUTHORITY

By /s/ Kevin A. Dillon
Kevin A. Dillon
Executive Director

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APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

The Report of the Airport Consultant is dated March 14, 2019. The Report of the Airport Consultant has not been updated to reflect final pricing information.

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Appendix A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

CONNECTICUT AIRPORT AUTHORITY

CUSTOMER FACILITY CHARGE REVENUE BONDS, SERIES 2019

Prepared for

Connecticut Airport Authority
Windsor Locks, Connecticut

Prepared by
LeighFisher
Cincinnati, Ohio

March 14, 2019

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Leigh | Fisher

March 14, 2019

Mr. Thomas A. Sheridan, Chair
Connecticut Airport Authority
Windsor Locks, Connecticut 06096

Re: Report of the Airport Consultant on behalf of the Connecticut Airport Authority, concerning the issuance of Customer Facility Charge Revenue Bonds, Series 2019

Dear Mr. Sheridan:

We are pleased to submit this Report of the Airport Consultant (Report) on certain aspects of the proposed issuance by the Connecticut Airport Authority (CAA or the Authority) of $33,685,000 of aggregate principal amount of Customer Facility Charge Revenue Bonds, Series 2019A (AMT) (the Series 2019A CFC Bonds) and $125,105,000 aggregate principal amount of Customer Facility Charge Revenue Bonds, Series 2019B (Federally Taxable) (the Series 2019B CFC Bonds; and collectively with the Series 2019A CFC Bonds, the Series 2019 CFC Bonds).* This letter and the accompanying attachment and exhibits constitute our Report.

The Authority is a public instrumentality and political subdivision of the state of Connecticut (the State) established and created generally to manage, operate, and develop Bradley International Airport (the Airport) and five other Authority owned general aviation airports located in the State (together, the Airport System). The Series 2019 CFC Bonds are being used to fund the development and construction of a consolidated rental car facility and related improvements at the Airport (the Project). The Series 2019 CFC Bonds are being issued under the authority of the provisions of the Section 15-120 et seq. of the Connecticut General Statutes (the Act) and certain other provisions of Connecticut law, and are authorized by the Trust Indenture by and between the Authority and U.S. Bank National Association, (the CFC Trust Indenture).**

The Series 2019 CFC Bonds will be special limited obligations of the Authority payable solely from, and secured by a pledge of, the Trust Estate which includes Pledged Funds (as defined later). No revenues of the Authority, other than the Customer Facility Charges, Facility Payments, and the Contingent Payments, are pledged to the payment of the Series 2019 CFC Bonds. Neither the Project nor any other properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Series 2019 CFC Bonds, and neither the full faith and credit of the Authority, and any agency of the State of Connecticut nor the full faith and credit of and the taxing power of the State of

*Capitalized terms not otherwise defined in this Report have the meanings given in the CFC Trust Indenture, or the Official Statement to which this Report is attached. Definitions in this Report do not purport to be comprehensive or complete and the Official Statement to which this Report is attached should be read in its entirety for additional information and definitions.

**The CFC Trust Indenture was approved by the Authority on January 16th 2019.

Connecticut or any political subdivision of the State of Connecticut is pledged to the payment of the principal of or interest on the Series 2019 CFC Bonds.

The purpose of the Report is to evaluate the ability of the Authority to satisfy the requirements of the Rate Covenant during the Forecast Period taking into account the proposed Series 2019 CFC Bonds. The proposed Series 2019 CFC Bonds are the only series of CFC bonds the Authority plans to issue during the period FY 2019 through FY 2025 (the Forecast Period). *

GROUND TRANSPORTATION CENTER PROJECT

The Project will consist of the development of the Ground Transportation Center (GTC) at the Airport which will replace the current airport rental car facilities, consolidating all rental car activities into one common facility. The GTC will consist of (i) a five-level parking ready return (R/R) garage with three levels of Rental Car Company (as defined herein) parking including customer service areas containing rental car counters and offices, one level of vehicle staging and storage and one level of public parking, (ii) a Quick Turn-Around (QTA) vehicle service building connected to the R/R garage via a series of ramps, a fuel distribution and storage system and Rental Car Company employee parking, and (iii) a Vertical Circulation Building (VCB) with elevators, stairways, escalators, and restrooms, with the first floor containing the Airport transit center. The ground area and improvements built at the Airport for the operations of rental car business will be known as the CONRAC. In addition to the GTC, the Project will consist of other projects, including (i) construction of elevated pedestrian walkways and an at grade covered roadway crossing that will connect the GTC with the existing passenger terminal and public parking garage along with two elevators serving the ticketing level and bag claim level of Terminal A, (ii) construction of utility infrastructure improvements necessary for the construction and operation of the GTC, and (iii) construction of an at-grade uncovered public parking lot, (iv) construction of a new entrance and exit to the existing parking garage, (v) construction of roadways and equipment required to provide access and egress from the new at-grade public parking lot and the covered public parking, (vi) demolition of the existing Hamilton Road Bridge over Schoephoester Road.

PLAN OF FINANCE

The Authority intends to issue the Series 2019 CFC Bonds, in the par amount of $158,790,000.** Exhibit 1 summarizes the plan of finance. Proceeds from the Series 2019 CFC Bonds are expected to be used for the following purposes:

- Financing a portion of the costs of the development and construction of a GTC and related improvements at the Airport,
- Funding a debt service reserve fund and coverage fund for the Series 2019 CFC Bonds,
- Paying capitalized interest on the Series 2019 CFC Bonds, and
- Paying the costs of issuance of the Series 2019 CFC Bonds.

In addition to the Series 2019 CFC Bonds, the Authority intends to utilize $67,000,000 of CFCs on a pay-as-you-go basis to fund the Project.

*The Authority's Fiscal Year (FY) ends on June 30.
**Preliminary and subject to change.

LEGAL FRAMEWORK

CFC Resolution

Customer Facility Charges

Customer Facility Charge (CFC) means a fee imposed per transaction day by the Authority pursuant to the CFC Resolution on rental car transactions occurring on or off the Airport and required to be collected by each of the rental car companies operating a rental car business serving Airport customers (Rental Car Company or Rental Car Companies) and remitted to the Trustee, as assignee of the Authority, as described and provided in the Rental Car Lease and Operating Agreements.

CFCs Imposed by the Authority

The CFC rate was originally set at $3.50 per transaction day, then amended to $6.00 on August 1, 2015 and to $6.95 on December 1, 2016. The Board of the Authority approved an additional increase to the CFC rate effective February 1, 2019, increasing the CFC rate to $8.40 per transaction day. The CFC is collected by the rental car companies from their Airport Customers and subsequently transferred to the Authority (or to the Trustee, as assignee of the Authority, as directed by the Authority).

Entities representing the three major brand families have entered into Rental Car Lease and Operating Agreements regarding rental car business at the GTC. The Authority anticipates that Sixt will also execute the Agreement. Pursuant to these agreements each of the Rental Car Companies has agreed to (a) collect a daily CFC on all vehicle rental transactions with Airport Customers (b) collect the CFC at the time the first payment is made by the Airport Customer for a qualifying vehicle rental transaction, and (c) remit the full amount of the CFC to the Trustee, as assignee of the Authority, regardless of whether or not the full amount of such CFC is actually collected by the Rental Car Companies from the person who rented the vehicle.

Pursuant to the agreements, each Rental Car Company has agreed that the CFCs are not income, revenue or any other asset of the Rental Car Company; that the Rental Car Company has no ownership or property interest in the CFC Revenues; and that the Rental Car Company has waived any claim to an equitable or ownership interest in the CFC Revenues. The Rental Car Companies have agreed that they hold the CFC Revenues in trust for the benefit of the Authority, and that the Authority (or the Trustee, as assignee of the Authority) has complete possessory and ownership rights to the CFC Revenues. Additionally, pursuant to the agreements, the Rental Car Companies have agreed to remit the CFC Revenues to the Trustee, as assignee of the Authority, on a monthly basis on or before the 20th day of each month following the month in which the CFC Revenues were collected; provided, however, in the event that it is determined that the Rental Car Companies must, as a matter of law, remit the CFC Revenues more frequently, the Rental Car Companies have agreed to remit such CFC Revenues with such frequency as required by law.

The Series 2019 CFC Bonds are not an indebtedness or other liability of the Rental Car Companies and the Rental Car Companies are not liable for any payments relating to the Series 2019 CFC Bonds, other than the timely remittance of the CFC Revenues collected by the Rental Car Companies from their respective Airport Customers to the Trustee for the benefit of the Authority, monthly Facility Payments to the Trustee for the benefit of the Authority and, under certain circumstances, the payment of Contingent Payments.

Rental Car Lease and Operating Agreements

Prior to the issuance of the Series 2019 CFC Bonds, the Authority and Rental Car Companies operating a rental car business serving Airport Customers entered into an agreement (Rental Car Lease and Operating Agreement(s)) regarding the Rental Car Company's non-exclusive rental car business at the GTC. The execution of the Rental Car Lease and Operating Agreement is required prior to occupancy of the GTC. The Rental Car Lease and Operating Agreements require each Rental Car Company to collect a CFC per vehicle transaction-day on behalf of the Authority, which will be used to pay debt service on the Series 2019 CFC Bonds issued for the GTC and meet the other requirements of the Indenture. Additionally, the Rental Car Companies are required to make monthly Facility Payments to the Trustee in equal monthly installments aggregating $3.3 million annually. Pursuant to the Rental Car Lease and Operating Agreements, the Rental Car Companies also will be required to pay to the Authority a Contingent Payment to offset any difference between the CFC Revenue for a fiscal year and the annual CFC Program Requirement for such fiscal year (Net CFC Deficiency) while the Agreement is in place.

The terms and obligations of the Rental Car Lease and Operating Agreements will become effective on the opening date of the GTC, and the Rental Car Lease and Operating Agreements will have an initial term of twenty (20) years, subject to two (2) five-year extensions, exercised by mutual agreement.

Prior to the opening of the GTC, the Rental Car Companies currently operating at the Airport will continue to operate at the Airport pursuant to the On-Airport Service Center Site Interim Sublease & Operating Agreement (Off-Airport Rental Car Operating Agreements) existing and in effect between the Rental Car Companies and the Authority. Pursuant to the Off-Airport Rental Car Operating Agreements, the Rental Car Companies are required to collect CFCs and to remit the CFC Revenue to the Authority (after the issuance of the Series 2019 CFC Bonds, the Authority will direct the Rental Car Companies to remit CFC Revenue to the Trustee, as assignee of the Authority); however, the Rental Car Companies are not required to pay Contingent Payments or Facility Payments under the Off-Airport Rental Car Operating Agreements. Upon the opening of the GTC, the Rental Car Companies will be subject to the terms of the Rental Car Lease and Operating Agreements and the Off-Airport Rental Car Operating Agreements will terminate.

The CFC shall be reviewed at least annually and may be adjusted periodically by the Executive Director, in his/her sole discretion, with the intent that to the extent reasonably feasible under the circumstances, CFC proceeds will be sufficient, without projected revenue from Contingent Payments, to meet all covenants and requirements with respect to the Bonds under the Bond Documents on a current and ongoing basis. In the event either Transaction Days or CFC collections for any calendar year drop to 80% or less than projected for that calendar year in the final feasibility report published in connection with the sale of bonds or other financing for the Project, then the Executive Director will both obtain an independent expert rate report and implement the recommended CFC adjustment, up to ten percent (10%) higher than the highest CFC rate at any airport in New England. Notwithstanding the foregoing, the CAA reserves the right to raise the CFC rate further, at its sole discretion, if it desires to do so, and to change the Contingent Payments pursuant to this Agreement if raising the CFC rate up to ten percent (10%) higher than any airport in New England does not meet Bond requirements and coverage.

If the Authority, in its sole discretion after notice to and consultation with the Rental Car Companies, determines that it is necessary to adjust the CFC rate in order to pay for the Annual CFC Program Requirements (as defined in the Rental Car Lease and Operating Agreements) and to produce surpluses, upon at least thirty (30) days written notice from the Authority, the Rental Car Companies shall be obligated to include the adjusted CFC rate in all forms of reservations no later than twenty (20) days before the effective date of the change, and charge and collect the CFC reflecting the adjusted CFC rate for all car rental periods that begin on or after the effective date of CFC rate change regardless of when the rental car reservation was created.

The Rental Car Lease and Operating Agreements also provide for the payment of an annual concession fee for the operation of each Rental Car Company's brand family calculated as the greater of 10% of net gross receipts from Airport rentals (as described in the Rental Car Lease and Operating Agreement) or a minimum annual guarantee (MAG). The MAG for each year is generally to be calculated as the greater of the applicable MAG floor, as established at the Commencement Date for each Rental Car Company, or 85% of the prior year's calculated percentage fee. These concession fees are considered Airport revenues, and are not pledged to pay debt service on the Series 2019 CFC Bonds.

Contingent Payments

In the event CFC Revenue received during a Fiscal Year and available amounts on deposit in the CFC Surplus Fund are insufficient to fully fund any of the required deposits as described in the FIRST through SEVENTH clauses under "—Flow of Funds" below, pursuant to the Rental Car Lease and Operating Agreements, each of the Rental Car Companies has agreed to pay to the Trustee, as assignee of the Authority, its prorated share of Contingent Payments. Pursuant to the Rental Car Lease and Operating Agreements, the Rental Car Companies will be required to pay to the Authority a Contingent Payment to offset the Net CFC Deficiency for any fiscal year while the Rental Car Lease and Operating Agreements are in effect. The Contingent Payment will commence upon the first day of the month following thirty (30) day's prior written notice from the Authority to the Rental Car Companies.

Facility Payments

Pursuant to the Rental Car Lease and Operating Agreements, the Rental Car Companies will make a monthly Facility Payment to the Trustee in equal monthly installments aggregating approximately $3.3 million annually. Each Rental Car Company will be responsible for its pro rata share of the Facility Payments. The Facility Payments will be suspended if Debt Service Coverage, excluding the value of aggregate Facility Payments and the Coverage Funds meets or exceeds 1.5x for three (3) consecutive years. Following suspension of the Facility Payments, if Debt Service Coverage excluding the Coverage Fund falls below 1.5x in any year of the Rental Car Lease and Operating Agreement, the Facility Payments will be reinstated at the same amounts as prior to suspension.

CFC Trust Indenture

Trust Estate and Pledged Funds

Trust Estate generally is defined as (a) all CFC Revenues received or receivable with interest thereon, (b) all Contingent Payments and Facility Payments paid by the Rental Car Companies with interest thereon (c) all casualty insurance proceeds and condemnation awards required to be applied pursuant to Section 6.12, (d) with respect to the Series 2019 CFC Bonds, all moneys, investments and

proceeds of Series 2019 CFC Bonds on deposit in the Construction Fund (with certain restrictions), the CFC Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, the Renewal and Replacement Fund and the CFC Stabilization Fund and interest and investment earnings thereon (except for interest and investment earnings in the CFC Project Account and the Project Contribution Account), subject to the provisions of Section 5.14 regarding moneys for the benefit of the holders of a particular Series of Bonds, and (e) all other rights granted, pledged or assigned by the Authority to the Trustee hereunder and including, but not limited to, the collection and remittance of the CFC Revenues, Contingent Payments and Facility Payments to the Trustee, as assignee of the Authority. The Trust Estate shall not include moneys, investments and proceeds in a Rebate Fund or the CFC Surplus Fund.

Pledged Funds means "(i) any amounts on deposit from time to time in the CFC Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, the Renewal and Replacement Fund, and the CFC Stabilization Fund, and (ii) any amounts, including investment income, on deposit in the Construction Fund from time to time that are not encumbered or otherwise allocated by the Authority to or necessary for the completion of a Project and except for amounts in the CFC Project Account and the Project Contribution Account. The Surplus CFC Fund, the CFC Project Account and the Project Contribution Account are specifically excluded from Pledged Funds."

Source of Payment for Bonds – Section 2.02

As defined in Section 2.02 of the CFC Trust Indenture, the Series 2019 CFC Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of the Trust Estate. Neither the Project nor any other properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Series 2019 CFC Bonds, and neither the full faith and credit of the Authority, the State or any political subdivision there of nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of, redemption price, premium, if any, or interest on the Series 2019 CFC Bonds. Nothing herein shall be construed as requiring the Authority to use any funds or revenues from any source other than as described herein.

Flow of Funds – Section 5.04

In Section 5.04 of the CFC Trust Indenture, the Authority covenants all Customer Facility Charges collected during the preceding month shall be deposited to the credit of the CFC Revenue Fund no later than the twentieth day of each month (or if such twentieth day is not a Business Day, then the Business Day preceding such twentieth day). Additionally, all Facility Payments, and any Contingent Payments received during the preceding month, if any, will be deposited to the CFC Revenue Fund. Amounts in the CFC Revenue Fund on and after the issuance of the Series 2019 CFC Bonds shall be applied and transferred, as more fully set forth below, to the following Funds in the following order of priority:

i. Debt Service Fund;
ii. Debt Service Reserve Fund;
iii. Coverage Fund;
iv. Rebate Fund;
v. Administrative Costs Fund;
vi. Renewal and Replacement Fund;
vii. CFC Project Account of the Construction Fund (prior to the commencement date only);

viii. CFC Stabilization Fund;
ix. CFC Surplus Fund

Section 5.05b of the CFC Trust Indenture specifies that, if amounts on deposit in the Debt Service Fund are not sufficient to pay annual debt service, then if necessary, funds shall be transferred first from the CFC Stabilization Fund, second from the Coverage Fund, third from the Renewal and Replacement Fund and fourth from the Debt Service Reserve Fund.

Rate Covenant – Section 6.07

Section 6.07 of the CFC Trust Indenture generally states:

> (a) In accordance with the CFC Resolution and the Rental Car Lease and Operating Agreements, as long as any Bond remains Outstanding, the Authority shall require each Rental Car Company to charge, collect and remit CFC Revenues to the Authority.
>
> The Authority shall require each rental car company to make Facility Payments on or after the Commencement Date as provided in each Rental Car Lease and Operating Agreement in an amount, such that the total amount of Facility Payments equal approximately $3,300,000 in each year.
>
> The Authority shall require each Rental Car Company to make Contingent Payments, on or after the Commencement Date as provided in each Rental Car Lease and Operating Agreement in an amount, in the aggregate, that the Authority projects to be sufficient, together with CFC Revenues and Facility Payments projected to be collected in such Fiscal Year or portion thereof during such Fiscal Year or portion thereof, to provide sufficient funds to meet the Net CFC Deficiency for such Fiscal Year.
>
> (b) As long as any of the Series 2019 CFC Bonds remain Outstanding, each Fiscal Year the sum of (1) CFC Revenues remitted during such Fiscal Year, (2) amounts transferred from the Coverage Fund to meet the funding requirements set forth in the FIRST through SEVENTH clauses of Section 5.04(b) hereof during such Fiscal Year, (3) earnings received from investments held in the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, the Renewal and Replacement Fund and the CFC Stabilization Fund during such Fiscal Year, and (4) the amount of Contingent Payments and Facility Payments during such Fiscal Year, if any, shall be no less than the Minimum Annual Requirement. The Minimum Annual Requirement is generally defined to include all annual deposits to the first through sixth funds specified in 5.04 (b) (Debt Service Fund, Debt Service Reserve Fund, Coverage Fund, Rebate Fund, Administrative Costs Fund, and the Renewal and Replacement Fund).
>
> (c) Additionally, as long as any of the Bonds remain Outstanding, each Fiscal Year the sum of (1) CFC Revenues remitted during such Fiscal Year, (2) amounts transferred from the CFC Stabilization Fund to meet the funding requirements set forth in the FIRST clause of Section 5.04(b) hereof during such Fiscal Year, (3) earnings received by the Trustee from investments held in the Debt Service Fund, the Debt Service Reserve Fund, the CFC Stabilization Fund, the Renewal and Replacement Fund and the Coverage

Fund during such Fiscal Year, (4) the amount of Contingent Payments and the Facility Payments remitted by the Rental Car Companies to the Trustee, as assignee of the Authority, during such Fiscal Year, if any, and (5) the amount on deposit in the Coverage Fund at the beginning of such Fiscal Year (up to an amount not to exceed 25% of the Aggregate Annual Debt Service on the Bonds for such Fiscal Year) shall be no less than 1.25 times the Aggregate Annual Debt Service on the Bonds for such Fiscal Year (Bonds Coverage Requirement).

(d) In the event that the Minimum Annual Requirement or the Bonds Coverage Requirement is not met in a Fiscal Year, such violation shall not be a default under this Indenture and shall not give rise to a declaration of an Event of Default (unless the principal of, premium, if any, on, interest on or purchase price of the Bonds is not paid in such Fiscal Year) if, the Authority takes appropriate corrective actions (including increasing the Contingent Payments for the next succeeding Fiscal Year) so that the Minimum Annual Requirement and the Bonds Coverage Requirement shall be met in the next succeeding Fiscal Year; provided, however, that if the Minimum Annual Requirement or the Bonds Coverage Requirement is not met in the next succeeding Fiscal Year, an Event of Default may be declared pursuant to Section 9.01(d).

(e) The Authority shall comply in all respects with all of the provisions of [Article 6] of the Rental Car Lease and Operating Agreements with respect to the collection, providing estimates and reporting of Contingent Payments and Facility Payments.

(f) The Authority shall use its best efforts to amend and adjust CFC collection rates to reach and maintain a goal of having CFC Revenues, along with Contingent Payments and Facility Payments, to meet the Minimum Annual Requirement and the Bonds Coverage Requirement.

KEY ASSUMPTIONS

The section of the Report entitled "Basis for Visiting Airline Passenger Demand" describes the airport service region; the demographic and economic profile of the region; the economic outlook; the role of the Airport including airline service, passenger traffic, and top markets; the key factors affecting future airline traffic; and the air traffic forecasts. The section of the Report entitled "Rental Car Analysis" describes general factors affecting rental car demand nationally and at the Airport, provides analysis of recent trends in rental car and competing transportation modes, a forecast of rental car demand, debt service, debt service coverage, and rate covenant compliance.

Certain key assumptions relating to the forecasts are summarized here, and described more fully in the accompanying text:

- **Air Traffic.** Total originating visitor passengers are forecasted to increase 0.7% in FY 2019 and maintain a compound annual growth rate of 1.4 - 1.5% for FY 2019 through FY 2025. Fiscal year to date through December 2018, enplaned passengers are 4.4% higher than the same period in the prior fiscal year.

- **Rental Car Activity.** Total rental car transactions are estimated at 404,000 in FY 2019, and are forecast to increase to 408,000 in FY 2020. Through FY 2022, rental car transactions forecast average annual growth of 0.8% per year, and 1.2% from FY 2023 to FY 2025 after the opening of the CONRAC. Fiscal year to date through December 2018, rental car transactions are 1.0% higher than the same period in the prior fiscal year. The average duration of a car rental is forecast to be 3.82 days throughout the forecast period. For fiscal year to date through December 2018, duration has averaged 3.90 days. Total rental car transaction days were forecast to be 1,544,000 in FY 2019, a 0.20% decrease from FY 2018. Through December 2018, transaction days were 0.28% lower than the same period in the prior fiscal year. The forecast shown in Exhibit 2 assumes transaction days for the remaining six months of the fiscal year will remain level with the prior fiscal year.

- **Customer Facility Charge (CFC) Resolution.** The Board adopted the CFC Resolution on October 24, 2005, which has from time to time been amended and restated. The CFC Resolution establishes the CFC charges that are collected and remitted to the Board for on-Airport and off-Airport Automobile rentals. The CFC rate was originally set at $3.50 per transaction day with collections beginning in December 2009, then amended to $6.00 on August 1, 2015 and to $6.95 on December 1, 2016. If a rental period starts prior to, and “straddles” the effective date of an increase in the CFC rate, the entire transaction will result in CFCs revenues being paid at the old rate. As such a blended CFC rate is shown for transition years. The Board approved an additional increase to the CFC rate effective February 1, 2019, at which time the CFC rate increased to $8.40 per transaction day (March 1, 2019 was assumed for cash flow modeling).

- **Rental Car Lease and Operating Agreements.** The Authority has entered into Rental Car Lease and Operating Agreements and the Rental Car Companies have agreed to certain obligations as defined earlier, including Facility Payments of $3.3 million per year, which are forecast to start in FY 2023. The anticipated opening date of the GTC is September 1, 2022.

- **Series 2019 CFC Bonds.** The Series 2019 CFC Bonds are assumed to be issued in an aggregate principal amount of $33,685,000 for the Series 2019A CFC Bonds, and $125,105,000 for the Series 2019B CFC Bonds with final maturities of 2049 and 2046 respectively, as prepared by the Authority and its financial advisor (Frasca & Associates, LLC).

SCOPE OF REPORT

This Report was prepared to evaluate the ability of the Authority to satisfy the requirements of the Rate Covenant during the Forecast Period. In preparing this Report, we analyzed:

- The status and estimated costs of the Ground Transportation Center Project, including the facilities expected to be provided, and the estimated completion date(s) of the project.

- Forecast airline traffic demand at the Airport, giving consideration to the demographic and economic characteristics of the Airport's service region, historical trends in airline traffic, recent airline service developments and airfares, and other key factors that may affect future airline traffic.

- Estimated sources and uses of funds for the Project and the estimated annual debt service provided by the Authority's Financial Advisor, Frasca & Associates, LLC.

- Historical trends in visitor passengers, CFC transactions, CFC transaction days, CFC Revenues, and competing modes of ground transportation.

We also identified key factors upon which the future CFC Revenues of the Authority may depend and formulated assumptions about those factors with the Authority. On the basis of those assumptions, we assembled the financial forecasts presented in the accompanying exhibits provided at the end of this Report and summarized in this letter.

FORECAST DEBT SERVICE COVERAGE

Exhibit 2 and the table below summarize forecasts of CFC Revenues, Aggregate Annual Debt Service, and debt service coverage, taking into consideration debt service on the proposed Series 2019 CFC Bonds.

The calculation of debt service coverage indicates compliance with the Rate Covenant of the CFC Trust Indenture in each year of the Forecast Period.

FORECAST DEBT SERVICE COVERAGE
Connecticut Airport Authority
Bradley International Airport
(Fiscal Years ending June 30; in thousands except coverage ratios)

The forecast presented in this figure was prepared using the information and assumptions described in the accompanying text. Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

		Forecast 2019	2020	2021	2022	2023	2024	2025
Originating Visitor Passengers	(A)	1,310	1,330	1,349	1,369	1,388	1,408	1,427
Propensity to Rent (1)	(B)	*30.9%*	*30.7%*	*30.5%*	*30.3%*	*30.3%*	*30.3%*	*30.3%*
Transactions	(C) = (A) x (B)	404	408	411	414	420	426	432
Days per Transaction (average) (1)	(D)	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*
Transaction-Days	(E) = (C) x (D)	1,544	1,557	1,569	1,582	1,604	1,627	1,649
CFC Rate (1) (2)	(F)	$ 7.43	$ 8.40	$ 8.40	$ 8.40	$ 8.40	$ 8.40	$ 8.40
CFC Revenues	(G) = (E) x (F)	$ 11,480	$ 13,078	$ 13,184	$ 13,286	$ 13,476	$ 13,665	$ 13,854
Aggregate Annual Debt Service								
Series 2019A CFC Bonds		$ -	$ -	$ 1,684	$ 1,684	$ 1,684	$ 1,684	$ 1,684
Series 2019B CFC Bonds		-	-	6,578	6,578	7,753	9,645	9,642
Total Aggregate Annual Debt Service	= (H)	$ -	$ -	$ 8,262	$ 8,262	$ 9,437	$ 11,330	$ 11,326
Compliance with Rate Covenant - Section 6.07 (b)								
1. CFC Revenues	= (G)	$ 11,480	$ 13,078	$ 13,184	$ 13,286	$ 13,476	$ 13,665	$ 13,854
2. Transfers from CFC Coverage Fund		-	-	-	-	-	-	-
3. Earnings on investments		79	318	318	318	318	318	318
4a. Contingent Payments		-	-	-	-	-	-	-
4b. Facility Payments		-	-	-	-	2,750	3,300	3,300
Total Funds Available for Rate Covenant Compliance	= (J)	$ 11,560	$ 13,396	$ 13,502	$ 13,604	$ 16,544	$ 17,283	$ 17,472
Funding Requirements specified in 5.04(b)								
1. Debt Service Fund	= (H)	$ -	$ -	$ 8,262	$ 8,262	$ 9,437	$ 11,330	$ 11,326
2. Debt Service Reserve Fund		-	-	-	-	-	-	-
3. Coverage Fund		-	-	-	-	-	-	-
4. Rebate Fund		-	-	-	-	-	-	-
5. Administrative Costs Funds		50	50	50	50	50	50	50
6. Renewal and Replacement Fund		-	-	-	-	-	-	-
7. CFC Project Account		-	-	-	-	-	-	-
Minimum Annual Requirement	= (K)	$ 50	$ 50	$ 8,312	$ 8,312	$ 9,487	$ 11,380	$ 11,376
Total Funds Available Less Minimum Annual Requirement (Must be > = Zero)	= (J) - (K)	$ 11,510	$ 13,346	$ 5,190	$ 5,292	$ 7,057	$ 5,903	$ 6,096
Compliance with Rate Covenant - Section 6.07 (c)								
1. CFC Revenues	= (G)	$ 11,480	$ 13,078	$ 13,184	$ 13,286	$ 13,476	$ 13,665	$ 13,854
2. Transfers from CFC Stabilization Fund		-	-	-	-	-	-	-
3. Earnings on investments		79	318	318	318	318	318	318
4a. Contingent Payments		-	-	-	-	-	-	-
4b. Facility Payments		-	-	-	-	2,750	3,300	3,300
5. Amount on Deposit in Coverage Fund		2,833	2,833	2,833	2,833	2,833	2,833	2,833
Total Funds Available for Bonds Coverage Requirement	= (L)	$ 14,392	$ 16,229	$ 16,334	$ 16,437	$ 19,376	$ 20,116	$ 20,305
Bonds Coverage Requirement	(M) = (H) x 1.25	$ -	$ -	$ 10,327	$ 10,327	$ 11,796	$ 14,162	$ 14,158
Debt Service coverage ratio								
Including Coverage Fund (Must be > 1.25x)	= (L) / (H)			1.98x	1.99x	2.05x	1.78x	1.79x
Excluding Coverage Fund				1.63x	1.65x	1.75x	1.53x	1.54x

Source: Connecticut Airport Authority and LeighFisher.

Notes: (1) Forecast based on assumptions described in the Report.
(2) The CFC rate increased to $8.40 effective February 1, 2019 (March 1, 2019 was assumed for cash flow modeling).

ASSUMPTIONS UNDERLYING THE FINANCIAL FORECASTS

The forecasts in this Report are based on information and assumptions that were provided by or reviewed with and agreed to by the Authority. The forecasts reflect the Authority's expected course of action during the Forecast Period and, in the Authority's judgment, present fairly the expected financial results of the Authority with respect to the pledge of the Trust Estate, which includes Pledged Funds. Those key factors and assumptions that are significant to the forecasts are set forth in the attachment, "Background, Assumptions, and Rationale for the Financial Forecasts." The attachment should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the forecasts. However, any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material. Neither LeighFisher nor any person acting on our behalf makes any warranty, expressed or implied, with respect to the information, assumptions, forecasts, opinions, or conclusions disclosed in the Report. We have no responsibility to update this Report to reflect events and circumstances occurring after the date of the Report.

* * * * *

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

Respectfully submitted,

LeighFisher

LeighFisher

Attachment

BACKGROUND, ASSUMPTIONS, AND RATIONALE FOR THE FINANCIAL FORECASTS

Connecticut Airport Authority

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BACKGROUND

THE CONNECTICUT AIRPORT AUTHORITY

The Connecticut Airport Authority (CAA, or the Authority) was established in 2011 to develop, improve, and operate Bradley International Airport (BDL, or the Airport) and five of the state's general aviation airports: Danielson Airport Windham County, Groton-New London Airport in New London County, Hartford-Brainard Airport in Hartford County, Waterbury-Oxford Airport in New Haven County, and Windham Airport in Windham County. The 11-member board of directors consists of leaders from various industries and representatives from the State Government and the Connecticut Department of Transportation (ConnDOT).

THE AIRPORT

The Airport is located primarily in the Town of Windsor Locks, Connecticut, within 15 miles of both Hartford, to the South, and Springfield, Massachusetts, to the North. The total land area of the Airport is approximately 2,400 acres. Primary roadway access is provided via Interstate 91 and U.S. Highway 20 (currently Schoephoester Road). The terminal building, public parking, and most rental car companies are currently accessed via Schoephoester Road.

Originally opened by the federal government as a military air base in 1941, "Bradley Field" was transferred to state control in the mid-1940's, and officially renamed "Bradley International Airport" in 1961. The existing passenger terminal (Terminal A), from which airlines operate domestic and international departing flights, includes 23 gates on two concourses. It opened in 1986 and was modernized and expanded in 2002. The Federal Inspection Station, separated from Terminal A by the Park & Walk Lot, opened in 2002 as well.

In calendar year 2017, the Airport was the second largest in New England in terms of passenger numbers, with over 6.4 million total passengers (enplaned plus deplaned). In that year, it was the 50th busiest airport in the United States according to Airports Council International. The two largest airlines operating at the Airport are American Airlines and Southwest Airlines; each of which accounted for a quarter of enplaned passengers in 2017.

The Airport is currently home to the 103d Airlift Wing of the Connecticut Air National Guard. BDL accommodates air cargo activities by dedicated all-cargo carriers (i.e., UPS, FedEx, and DHL Express), freight forwarding companies, and the passenger carriers (belly cargo). General aviation activity is supported by two full-service Fixed Base Operators (FBO) and two aircraft maintenance providers. There are currently five surface parking lots and a parking garage for commercial use. The Express Shuttle Lot 1 has 794 spaces, the Park & Walk Lot 2 has 786 spaces, Long Term Lot 3 has 728 spaces, Long Term Lot 4 has 577 spaces, Long Term Lot 5B (which is opened on an overflow basis) has 572 spaces, and the Short & Long Term Garage has 3,542 spaces. Lot 5C, with 830 spaces, is used for Authority employee parking.

RENTAL CAR OPERATIONS AT THE AIRPORT

The current rental car operations at the Airport consist of individual remote lots for 3 companies representing 9 brands including: (i) Avis Budget Group, Inc. (Avis, Budget, and Payless brands), (ii) The Hertz Corporation (Hertz, Dollar and Thrifty brands), and (iii) Enterprise Holdings, Inc. (Enterprise, Alamo, and National brands). Most companies operate facilities southeast of the terminal building on Schoephoester Road, except for Dollar/Thrifty and Enterprise which are located off-airport, on the other side of the Ella Grasso Turnpike. All rental car customers are transported to individual lots by buses operated by each individual company. These lots consist generally of a customer service building with counters and small offices, pick up and drop off areas for the buses, ready and return vehicle parking, and fuel, wash and light maintenance facilities. All rental car operators will operate from the consolidated facility when it opens and will operate under the terms of a Rental Car Lease and Operating Agreement.

The rental car operators will continue to transport their customers to individual areas via their own buses until completion of the Ground Transportation Center. Figure 1 depicts the current location of the rental car companies.

Figure 1
Location of Rental Car Companies

THE GROUND TRANSPORTATION CENTER

The Ground Transportation Center (GTC) will be located on 13.4 acres of leased area, within a 20-acre parcel of land located south of the recently demolished Terminal B and west of the existing 5-level parking garage, bounded by Airport Terminal Road and Schoephoester Road. This facility will replace the current airport rental car facilities, consolidating all rental car activities into one "common" facility, often referred to as a CONRAC. The consolidation of a fragmented and inefficient ground transportation network at the Airport will enhance the landside operations of the Airport and increase rental car customer and air passenger convenience.

The 1.4 million square foot GTC will consist of three components: (i) a 946,800 square foot Ready/Return parking garage, (ii) a 405,000 square foot Quick Turn-Around (QTA) vehicle service building, and (iii) a 40,700 square foot Vertical Circulation Building (VCB).

The project components are described in more detail below and shown graphically in Figure 2.

Ready/Return Parking Garage

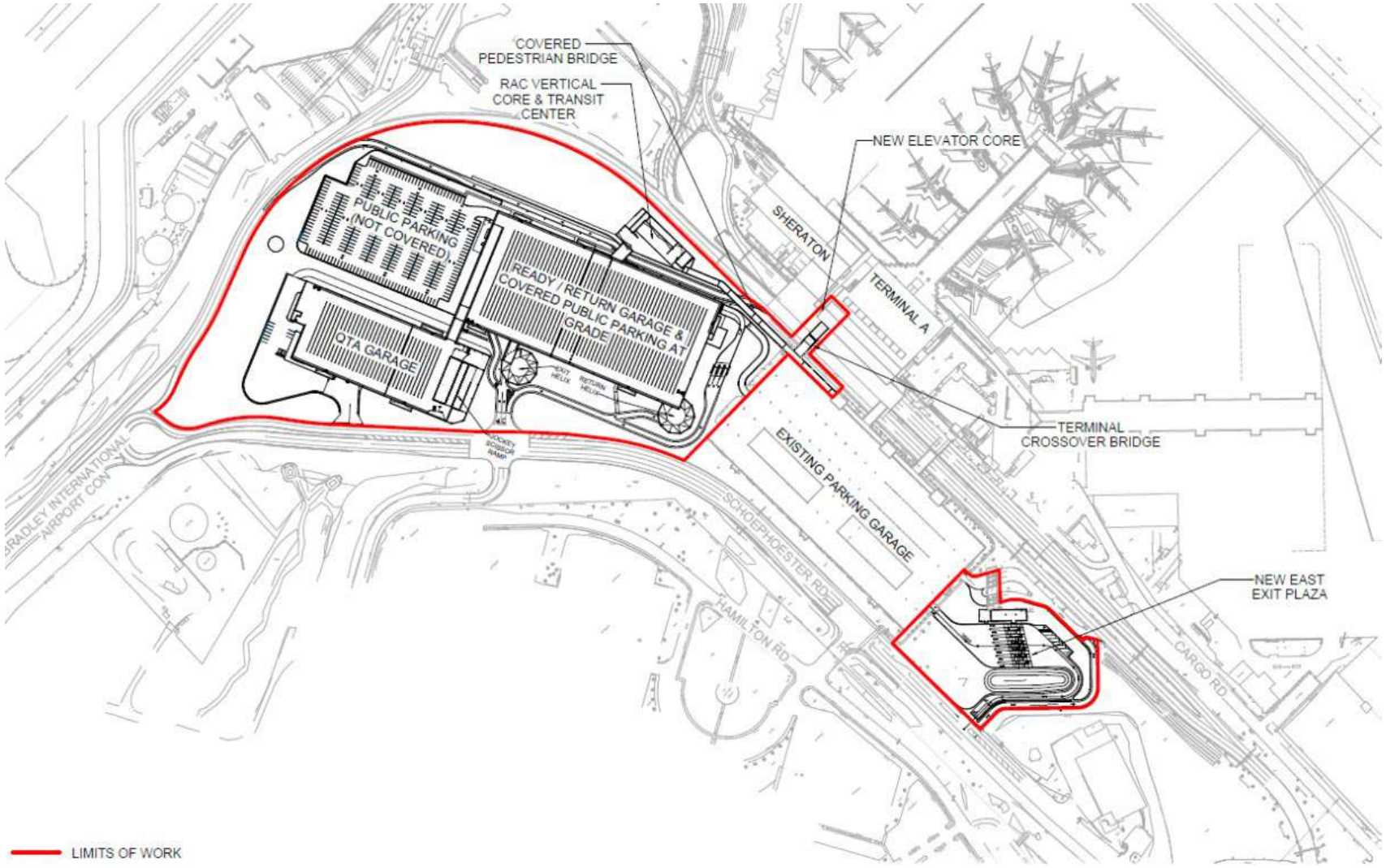
The 5-level (Levels 0-4) Ready/Return parking garage will include approximately 3,084 spaces. Level 0 consists of 450 covered public parking spaces and 380 uncovered surface parking spaces. Levels 1, 2, and 3 consist of 1,554 Ready/Return parking spaces for customer pick-up and drop off and a customer service center area consisting of rental car counters, queuing circulation, and office space. Vehicle staging and storage (no public access) is on rooftop Level 4 (700 spaces). Two single-threaded helixes will be used to move customers and rental car service agents between floors of the Ready/Return garage and serve as the rental car return entrance and the rental car exit.

Quick Turn-Around (QTA) Vehicle Service Building

The QTA service building, connected to the Ready/Return garage via a series of ramps, will house rental car service and storage areas, commonly referred to as QTAs (Levels 1-4). The new QTAs will serve as limited service areas for car rental companies to perform fueling and vacuuming (48 positions), car washes (9 positions) and light maintenance (9 bays). There will be 324 spaces for vehicle staging and 310 storage spaces with no public access, and 67 spaces for Rental Car Company employees on Level 0.

Figure 2

Layout of the Ground Transporation Center



Vertical Circulation Building (VCB)

The multi-level Vertical Circulation Building will include escalators, elevators, stairs, and restrooms, providing access to all levels of the GTC. Public parkers and rental car customers will access the VCB either via at-grade crossings at the arrivals road, or via an enclosed and elevated pedestrian bridge located at the west end of Terminal A. The pedestrian bridge connects to the VCB at Level 2. The Transit Center, located on Level 0 of the VCB is a planned 9,800 square foot conditioned and sheltered area for public use while waiting for bus or shuttle service.

Other Associated Project Components

Roadways and Parking

The Authority is completing a project that will redefine the roadways around the site and provide a "greenfield" area for the development of the GTC. The roadways, which include a roundabout and a signalized intersection, will provide access to and from the GTC. A portion of the surface parking within this footprint (currently managed by Standard Parking) has been temporarily relocated by the Authority to the area where Terminal B once stood. Utility infrastructure improvements, including relocating utilities, will occur concurrently.

Access to the GTC will be via a new signalized intersection at Schoephoester Road. This intersection will also be where public parking customers will enter and exit the GTC.

As part of the GTC construction, the existing Hamilton Road Bridge over Route 20 (Schoephoester Road) will be demolished.

New Exit Plaza

The existing parking garage exit plaza and administration building, located on the west side of and adjacent to the parking structure, will be relocated to the east side of the existing garage. The new exit plaza will include seven transaction positions and new revenue control equipment. The co-located maintenance building will be demolished and its functions replaced. Light maintenance functions will be relocated to the Ready/Return parking garage.

BASIS FOR VISITING AIRLINE PASSENGER DEMAND

This proposed financing will be primarily supported by the Customer Facility Charge paid by rental car customers, primarily visiting passengers (i.e., not residents or other passengers who are originating trips at the Airport, nor connecting passengers). Visiting passengers constitute approximately 40% of all enplaned passengers at the Airport.

This section emphasizes the factors underlying the demand for airline travel by visitors rather than local demographic and socioeconomic trends (which more directly influence air travel by residents).

AIRPORT SERVICE REGION

The Airport serves Connecticut and the western half of Massachusetts. The Airport Service Region (or Region), as defined for purposes of this report, encompasses the Connecticut counties of Fairfield, Hartford, Litchfield, New Haven, New London, Middlesex, Tolland, and Windham, and the Massachusetts counties of Berkshire, Franklin, Hampden, and Hampshire. The Region contains the cities of Bridgeport, Hartford, and New Haven, Connecticut and Springfield, Massachusetts. Figure 3 shows a map of the Airport Service Region.

Passengers traveling to or from the Airport Service Region have airline service options from many airports. Airline service at BDL and the other airports serving parts of the Region are shown in Figure 3. Table 1 provides data on airline service and passenger numbers at BDL and selected other regional airports.*

Bradley International Airport (BDL)

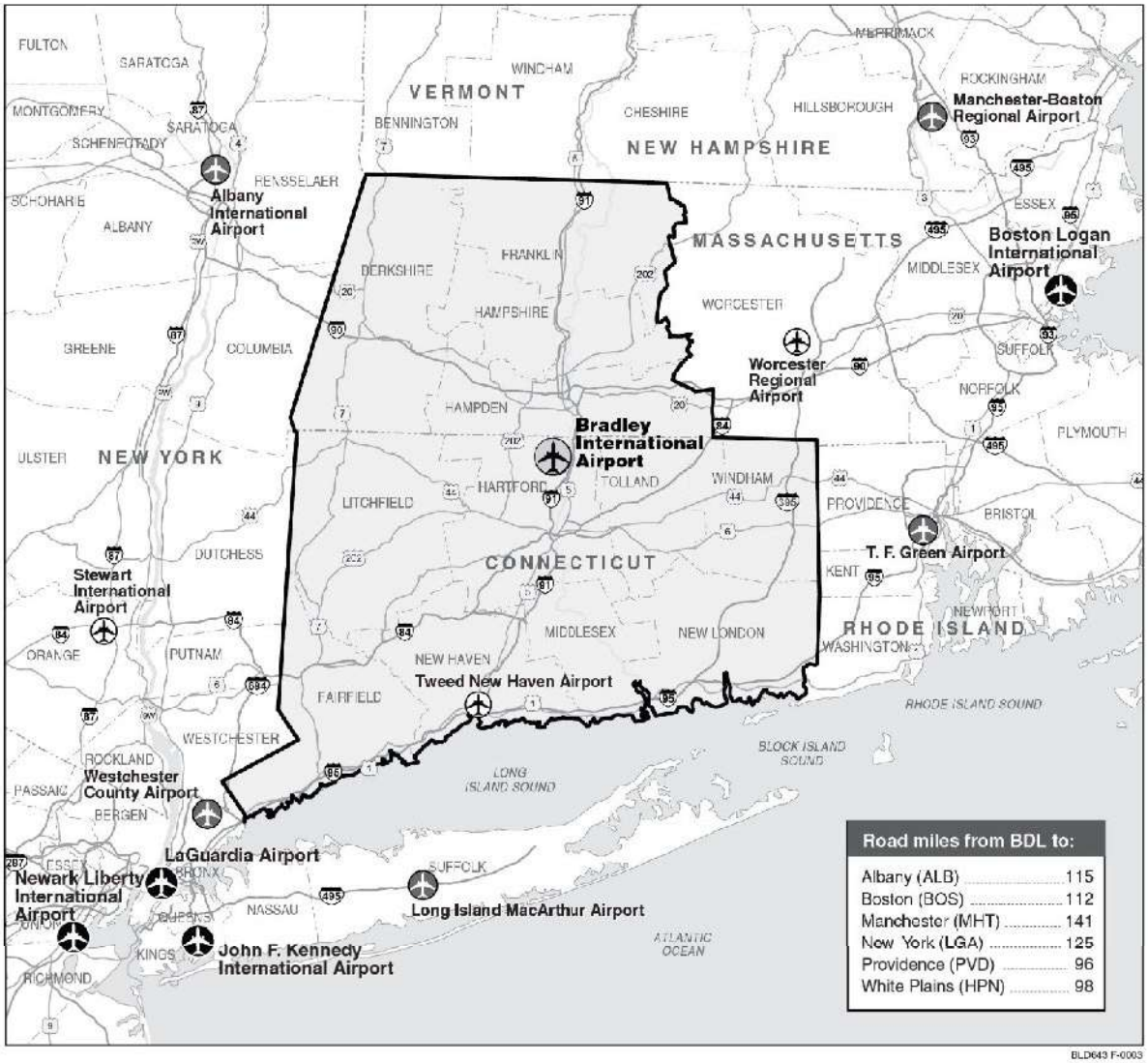
In July 2018, 9 airlines operated nonstop service to 31 airports. Domestic originating passengers numbered approximately 3.0 million in the 12 months ended June 30, 2018 (FY 2018). Air service and passenger traffic trends at BDL are covered in the section titled “Aviation Demand”.

Tweed New Haven Airport (HVN)

Tweed New Haven Airport in New Haven, Connecticut, is a non-hub airport located approximately 56 road miles south of BDL and is the only other commercial service airport within the Airport Service Region.** In July 2018, PSA Airlines offered nonstop service from HVN to Philadelphia as an affiliate of American Airlines. Approximately 33,000 domestic originating passengers flew from HVN in FY 2018, 1.1% of that at BDL.

*In discussions of historical airline service and passenger traffic by airline in this report, unless otherwise noted, data for merged airlines are accounted for with the surviving airline (i.e., America West Airlines, Trans World Airlines, and US Airways with American Airlines; Northwest Airlines with Delta Air Lines; Continental Airlines with United Airlines; Midwest Airlines with Frontier Airlines; AirTran Airways with Southwest Airlines, and Virgin America with Alaska Airlines). Also, data for affiliated regional airlines are accounted for with data for the mainline airline.

**The Federal Aviation Administration (FAA) categorizes commercial service airports by hub size, based on annual enplaned passengers. Airports with 1% or more of passengers are categorized as large hubs, airports with at least 0.25%, but less than 1% of passengers are medium hubs, airports with at least 0.05%, but less than 0.25% of passengers are small hubs, and nonhub airports board more than 10,000, but less than 0.05% of passengers.



LEGEND

The Air Service Region (Berkshire, Fairfield, Franklin, Hampden, Hampshire, Hartford, Litchfield, Middlesex, New Haven, New London, Tolland, and Windham Counties)

- Large Hub Airport
- Medium Hub Airport
- Small Hub Airport
- Other commercial service airport
- State boundary
- County boundary

N

15 0 15 30

Graphic Scale in Miles

Figure 3

AIRPORT SERVICE REGION

Table 1

Airline Service at Selected Regional Airports

	BDL	HVN	ORH	PVD	HPN	BOS	ALB	SWF	LGA	JFK	EWR
Driving distance from BDL (miles)	-	56	75	96	98	112	115	120	125	130	140
Average daily departing seats (a)											
Domestic	11,344	135	300	7,159	2,830	59,709	4,996	657	49,761	50,025	54,799
International	410	-	-	531	-	14,340	-	677	4,086	63,581	27,508
Total	11,754	135	300	7,690	2,830	74,048	4,996	1,334	53,847	113,606	82,307
Average daily departures (a)											
Domestic	88.3	2.7	3.0	59.3	44.9	501.9	53.9	7.5	477.0	384.4	464.7
International	6.8	-	-	3.5	-	80.1	-	3.6	40.7	269.0	151.6
Total	95.1	2.7	3.0	62.8	44.9	582.0	53.9	11.1	517.7	653.4	616.4
Airports served nonstop (a)											
Domestic	27	1	3	20	15	71	19	8	70	65	95
International	4			7		47		5	4	116	80
Total	31	1	3	27	15	118	19	13	74	181	175
Domestic outbound O&D passengers (in thousands) (b)											
FY 2000	3,243	40	32	2,532	491	10,017	1,108	288	10,593	4,836	10,110
FY 2018	2,948	33	55	1,913	735	14,058	1,310	164	12,276	10,500	12,071
Percent change	(12.3)%	(32.2)%	72.7%	(32.9)%	50.7%	34.6%	18.6%	(51.2)%	12.8%	113.6%	10.8%

Notes: Columns may not add to totals shown because of rounding.
BDL: Bradley International Airport, ALB: Albany International Airport, BOS: Boston Logan International Airport, EWR: Newark Liberty International Airport, HPN: Westchester County Airport, HVN: Tweed New Haven Airport, JFK: John. F. Kennedy International Airport, LGA: LaGuardia Airport, ORH: Worcester Regional Airport, PVD: T.F. Green Airport, SWF: Stewart International Airport.

(a) Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed September 2018. Data shown are for scheduled domestic and international service in July 2018.

(b) Source: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1, accessed November 2018. Data shown are for the 12 months ended June 30.

Worcester Regional Airport (ORH)

Worcester Regional Airport, located approximately 75 road miles northeast of BDL in Worcester, Massachusetts, is a non-hub airport. In July 2018, JetBlue scheduled daily nonstop flights from ORH to three destinations: Fort Lauderdale, New York-Kennedy, and Orlando on 100-seat Embraer 190 aircraft. American Airlines added twice daily flights to Philadelphia International in October 2018. Domestic originating passengers totaled approximately 55,000 in FY 2018, 1.9% of that at BDL.

T.F. Green Airport (PVD)

T.F. Green Airport is a small-hub airport located near Providence, Rhode Island, approximately 96 miles east of BDL. In 2018, Allegiant, American, Delta, Frontier, JetBlue, Southwest, and United Express provided service from PVD to 20 domestic airports and 3 foreign-flag airlines provided service to 7 international airports. Domestic originating passengers totaled approximately 1.9 million in FY 2018, approximately three quarters of that at BDL.

Westchester County Airport (HPN)

Westchester County Airport, a small-hub airport, is located near White Plains, New York, approximately 98 road miles southwest of BDL. In 2018, American Eagle, Cape Air, Delta, Elite Airways, JetBlue, Tradewind Aviation, and United Express, combined, offered roughly 2,800 daily departing seats. Domestic originating passengers totaled approximately 735,000 in FY 2018. There were approximately four times as many departing domestic originating passengers at BDL as HPN in FY 2018.

Boston Logan International Airport (BOS)

Boston Logan International Airport is a large-hub airport located approximately 112 road miles from BDL in the East Boston neighborhood of Boston, Massachusetts. In July 2018, all the major U.S. airlines provided service at BOS, with JetBlue accounting for a quarter of all scheduled departing seats. Domestic originating passengers numbered about 14.1 million in FY 2018, approximately five times as many as at BDL that same year.

Albany International Airport (ALB)

Albany International Airport is a small-hub airport located approximately 115 road miles northwest of BDL near Albany, New York. In July 2018, American, Delta, JetBlue, United, Southwest, Cape Air, OneJet, and Elite Airways provided nonstop service to 19 U.S. airports. The number of domestic originating passengers at ALB was 1.3 million in FY 2018, 44% that recorded at BDL.

Stewart International Airport (SWF)

Stewart International Airport, a non-hub airport, is located near Newburgh, New York, approximately 120 road miles west of BDL. In July 2018, SWF was served by Allegiant, American Eagle, Delta Connection, JetBlue, and Norwegian. Domestic originating passengers at SWF numbered 164,000 in FY 2018, 5.6% of that at BDL.

LaGuardia Airport (LGA)

LaGuardia Airport is a large-hub airport located in the New York borough of Queens, approximately 125 road miles from BDL. All the major U.S. airlines provided service at LGA in July 2018, and LGA is also an east coast hub for Delta and American. In July 2018, 92.4% of scheduled departing flights were to

domestic destinations. Domestic originating passengers numbered about 12.3 million in FY 2018, approximately four times more than at BDL.

John F. Kennedy International Airport (JFK)

John F. Kennedy International Airport is also located in Queens, approximately 130 road miles from BDL. JFK is the busiest U.S. transatlantic gateway with over 281 scheduled international departures per day. It is Delta's 3rd largest system airport in terms of total departing seats and is the main base for JetBlue. All the major U.S. airlines provided service in July 2018 except United (which discontinued service in October 2015) and Southwest. Domestic originating passengers numbered 10.5 million in FY 2018, approximately three and a half times more than at BDL.

Newark Liberty International Airport (EWR)

Newark Liberty International Airport is located in Newark and Elizabeth, New Jersey, approximately 140 road miles from BDL. EWR is the 2nd busiest U.S. transatlantic gateway after JFK and United's 3rd busiest system airport. In July 2018, all the major U.S. airlines provided service at EWR, with United accounting for 64.5% of scheduled seats. Domestic originating passengers numbered 12.1 million in FY 2018, over four times of that at BDL.

DEMOGRAPHIC AND ECONOMIC PROFILE

Demographic and economic trends correlate with business and leisure travel by both residents and visitors. Travel to the Region for leisure reasons is also related to the health of the broader economies of New England and the U.S. and the attractiveness of the area as a travel destination.*

The demographic and economic factors that most strongly influence airline passenger demand at the Airport are the population, per capita income, and employment of the Region. The Region's unemployment rate has historically been similar to the national average. Twenty Fortune 500 companies maintain corporate headquarters in the Region. In addition, tourism, government (Hartford is the state capital of Connecticut), and business-related travel generate visitors to the Region.

Population

Population growth is a key factor influencing the demand for airline travel. Figure 4 shows that between 2000 and 2017, the population of the Airport Service Region increased an average of 0.3% annually, slightly less than the rate for New England, compared with a 0.8% average annual increase for the nation as a whole. Since 2011, the population of the Airport Service Region has had no net increase.

*New England is defined as the six-state region encompassing Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Figure 4
Comparative Index of Population Trends
(Year 2000 = 100)

Population	2000	2007	2010	2017
United States	282,162,411	301,231,207	309,338,421	325,719,178
New England	13,949,721	14,279,205	14,468,393	14,810,001
Airport Service Region	4,226,914	4,349,006	4,406,273	4,415,822
Average annual percent increase (decrease)	**2000-2007**	**2007-2010**	**2010-2017**	**2000-2017**
United States	0.9%	0.9%	0.7%	0.8%
New England	0.3	0.4	0.3	0.4
Airport Service Region	0.4	0.4	0.0	0.3

Airport Service Region = The 12 counties as currently defined (see Figure 3).

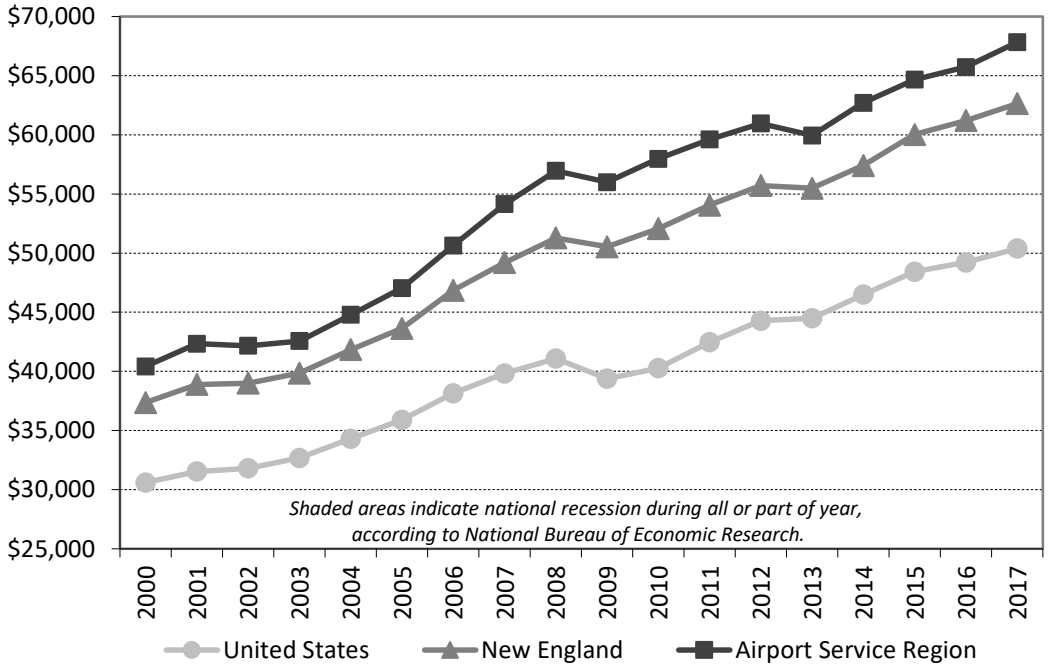
Note: Population estimates are of July 1.

Source: U.S. Department of Commerce, Bureau of the Census website, www.census.gov, accessed September 2018.

Per Capita Income

Per capita personal income in the Region is higher than in the nation as a whole, as shown on Figure 5. Between 2000 and 2017, per capita personal income in the Region increased faster than the nation as a whole. The Region's per capita personal income in 2017 was 8.3% higher than the average for New England and 34.6% higher than in the national average. Trends in per capita personal income in the Region and in New England have generally followed the pattern of the nation.

Figure 5
Per Capita Personal Income



Per Capita Personal Income	2000	2007	2010	2017
United States	$30,602	$39,821	$40,278	$50,392
New England	37,363	49,201	52,064	62,632
Airport Service Region	40,422	54,141	57,968	67,832
Average annual percent increase (decrease)	**2000-2007**	**2007-2010**	**2010-2017**	**2000-2017**
United States	3.8%	0.4%	3.3%	3.0%
New England	4.0	1.9	2.7	3.1
Airport Service Region	4.3	2.3	2.3	3.1

Source: U.S. Department of Commerce, Bureau of Economic Analysis website, www.bea.gov, accessed November 2018.

Per Capita Gross Domestic Product

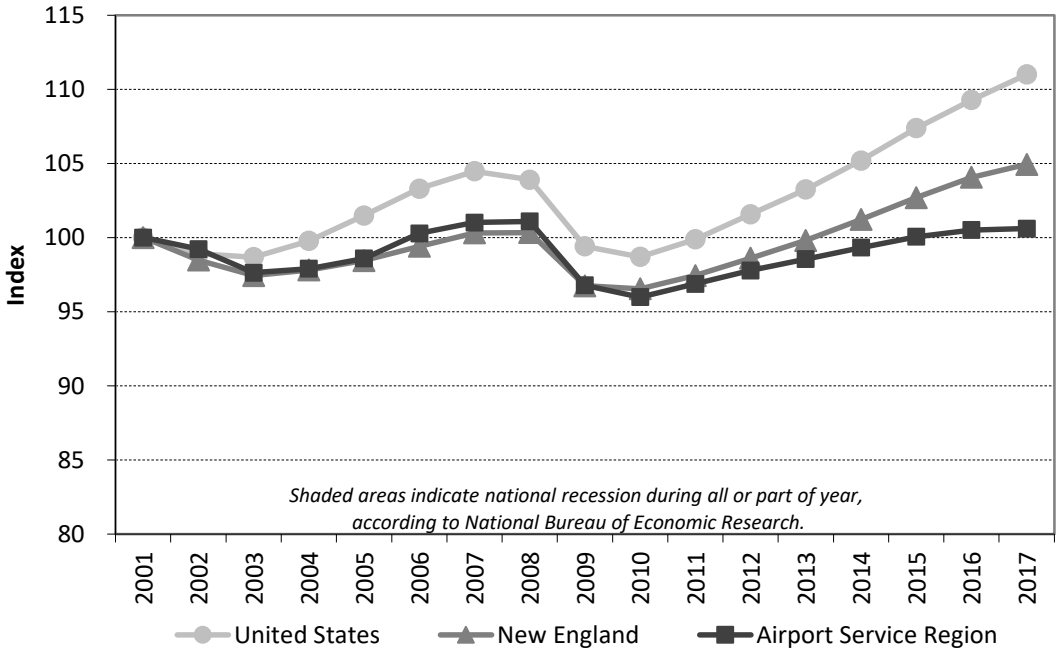
Between 2000 and 2007, per capita GDP for the Region exceeded per capita GDP for the United States by an average of 122%. In 2017, per capita GDP for the Region was $70,309, 116% of the $59,823 for the nation as a whole.

Nonagricultural Employment

Figure 6 shows that, from 2001 to 2017, employment growth in the Region was lower than that of the nation, but similar to that of New England. The Region experienced employment decreases similar to that of the nation during the 2008-2009 recession and has yet to return to pre-recession levels.

Employment in New England as a whole is 4.6% above pre-recession levels. Since 2010, average annual employment growth in the Region (0.7%) has been less than half that of the nation (1.7%).

Figure 6
Comparative Index of Total Non-Agricultural Employment
(Year 2001 = 100)



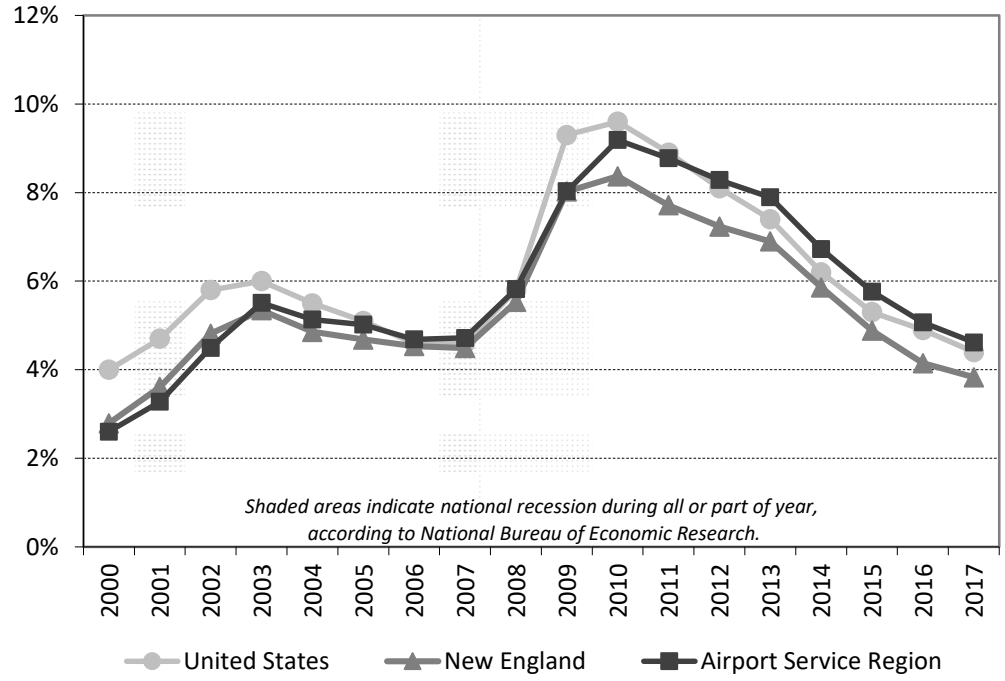
Employment	2001	2007	2010	2017
United States	132,087	137,999	130,362	146,624
New England	7,047	7,069	6,803	7,395
Airport Service Region	2,000	2,020	1,920	2,012
Average annual percent increase (decrease)	**2001-2007**	**2007-2010**	**2010-2017**	**2001-2017**
United States	0.7%	(1.9%)	1.7%	0.7%
New England	0.1	(1.3)	1.2	0.3
Airport Service Region	0.2	(1.7)	0.7	0.0

Source: U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed September 2018.

Unemployment Rates

As shown in Figure 7, the Airport Service Region's unemployment rates since the 2008-2009 recession have been close to those for the nation while the unemployment rate for New England has been lower.

Figure 7
Civilian Unemployment Rate



Unemployment Rate	2000	2007	2010	2017
United States	4.0%	4.6%	9.6%	4.4%
New England	2.8	4.5	8.4	3.8
Airport Service Region	2.6	4.7	9.2	4.6

Note: Values represent seasonally unadjusted unemployment rates.

Source: U.S. Department of Labor, Bureau of Labor Statistics website, Current Population Survey and Local Area Unemployment Statistics, www.bls.gov, accessed September 2018.

Employment by Industry Sector

Table 2 shows employment by industry sector in the Airport Service Region, New England, and the United States. In 2017 education and health services represented the largest sector of employment in the Region (20.9% of total non-agricultural employment) similar to the share for New England (21.0%). The Region's concentration of universities, colleges, hospitals, and medical research facilities resulted in a greater share of employment in this sector compared with the national average (15.8%). Between 2001 and 2017, Regional employment in the services sector (education and health, professional and business, leisure and hospitality, and other) increased, while employment in the other sectors (manufacturing in particular) decreased. The government sector accounts for a smaller share of employment in the Region relative to the nation.

Table 2
Changes in Nonagricultural Employment by Industry Sector

Industry sector	Average annual percent increase (decrease) 2001-2017: Airport Service Region	New England	United States	2017 percent share: Airport Service Region	New England	United States
Education and health	1.9%	2.0%	2.4%	20.9%	21.0%	15.8%
Trade, transportation, and utilities	(0.3)	(0.1)	0.4	17.9	17.2	18.8
Government	(0.2)	0.0	0.3	13.7	13.4	15.2
Professional and business	0.3	1.0	1.4	12.3	13.9	14.0
Leisure and hospitality	1.5	1.5	1.8	9.7	10.2	10.9
Manufacturing	(2.3)	(2.6)	(1.7)	9.3	8.0	8.5
Financial activities	(0.8)	(0.4)	0.4	7.0	6.3	5.8
Other	0.4	0.7	0.6	3.8	3.8	3.9
Mining, logging, and construction	(0.5)	0.0	0.2	3.6	4.1	5.2
Information	(2.4)	(1.6)	(1.6)	1.8	2.1	1.9
Total	0.0%	0.3%	0.7%	100.0%	100.0%	100.0%

Note: Columns may not add to totals shown because of rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed September 2018.

The largest private-sector employers in Connecticut (based on the number of employees) are listed in Table 3. Four of these are Fortune 500 companies headquartered in the Region. Six (and the three largest) employers are in education and health services. Four of the largest employers are insurance companies, two of which are Fortune 500 companies headquartered in the Region.

Table 4 lists the largest private-sector employers in western Massachusetts. According to data provided by the Executive Office of Labor and Workforce Development (EOLWD) for the State of Massachusetts, large private-sector companies include Baystate Medical Center and Baystate Health, Inc., Massachusetts Mutual Life Insurance, and Sisters of Providence Health (all located in Springfield), University of Massachusetts-Amherst, and Berkshire Health Systems (located in Pittsfield). Ten of the top employers are in education and health services, nearly two thirds of the companies listed. Not shown in the table is the MGM Springfield casino which opened in August 2018. At opening, the Massachusetts Gaming Commission anticipated the resort would hire 3,000 employees.

Table 3

Major Private-Sector Employers in Connecticut

(Ranked by number of employees in 2017)

Company	Employment	Type of business
Yale-New Haven Health System	21,900	Health care
Hartford HealthCare	18,400	Health care
Yale University	16,200	Education
United Technologies Corp. (a)	16,000	Aerospace, defense, building
General Dynamics (Electric Boat)	11,400	Defense
University of Connecticut	10,000	Education
Wal-Mart Stores, Inc.	9,000	Retail
Lockheed Martin (Sikorsky)	7,700	Aerospace and defense
The Travelers Companies	7,400	Insurance
The Hartford Financial Services Group (a)	6,800	Financial services
Mohegan Sun	6,800	Hospitality and entertainment
Foxwoods Resort Casino	6,500	Hospitality and entertainment
Trinity Health of New England	6,500	Health care
Aetna Inc. (a)	5,600	Insurance
UnitedHealth Group	4,400	Insurance
Cigna Corp. (a)	4,400	Insurance
ESPN	4,200	Media
Eversource Energy	3,300	Utilities
Pfizer Inc.	3,000	Pharmaceuticals
Frontier Communications	3,000	Telecommunications
Eastern Connecticut Health Network	3,000	Health care

(a) Fortune 500 company (based on 2017 revenue) headquartered in Connecticut.

Source: Hartford Business Journal, *2017-18 Book of Lists*.

Table 4

Major Private-Sector Employers

In Pittsfield and Springfield Metropolitan Areas, Massachusetts

(2018)

Company (a)	Type of business
Baystate Medical Center	Health care
American Outdoor Brands Corp.	Manufacturing
Baystate Health, Inc.	Health care
Berkshire Medical Center	Health care
C & S Wholesale Grocers, Inc.	Grocery
General Dynamics	Aerospace and Defense
Holyoke High School	Education
Holyoke Medical Center	Health care
Massachusetts Mutual Life Insurance	Insurance
Massachusetts University-Amherst	Education
Mt. Holyoke College	Education
OMG, Inc.	Construction
Sisters of Providence Health	Health care
Smith College	Education
Weldon Rehabilitation Hospital	Health care
Yankee Candle Co, Inc.	Retail

(a) Baystate Medical Center employs over 5,000 workers. All other employers listed employ between 1,000 and 5,000 workers.

Source: Executive Office of Labor and Workforce Development (EOLWD), accessed September 2018.

VISITOR DEMAND

According to a report by Tourism Economics: *The Economic Impact of Travel in Connecticut*, in 2015 traveler expenditures in Connecticut totaled $8.7 billion, which supported 121,500 jobs with an associated payroll of $5.2 billion. The report states that the majority of visitor spending in Connecticut is for leisure purposes (87%) to visit friends and family, to vacation, take part in outdoor recreation, or visit college campuses. The remaining 13% of visitor spending in Connecticut is for business purposes (including conferences and seminars).

BUSINESS TRAVEL DEMAND

The Region is the center of the U.S. insurance industry. Among the top employers are The Travelers Companies, Aetna, Inc., UnitedHealth Group, Cigna Corp., and Massachusetts Mutual Life Insurance. Three aerospace and defense companies are top employers in the Region: United Technologies Corp., General Dynamics, and Lockheed Martin (Sikorsky).

The economy of the Region has historically been one of trade and manufacturing in part due to the abundance of natural resources (water, wood, iron ore) and the ability to transport goods via rivers and natural harbors. It has become known for its textile mills, cabinet making, firearm production, timepieces, hardware and tool manufacturing, and shipbuilding. The manufacturing industry's share of the Region's employment has decreased in recent years, comprising 9.3% of the Region's employment in 2017, down from 13.7% in 2001 (approximately 90,000 fewer jobs). Today, Timex Group USA is headquartered in Middlebury; Stanley Black & Decker operates in New Britain, and submarine building continues at the General Dynamics Electric Boat facility in Groton.

As the number of jobs in the manufacturing sector has decreased, employment in the education and health sector and professional and business sector has increased. The Airport Service Region has a highly educated workforce. Connecticut is home to more than 400,000 employees holding advanced degrees, many of whom attended local universities such as Yale University, Trinity College, Wesleyan University, University of Connecticut, and the Connecticut State University system. The Region is also home to the U.S. Coast Guard Academy in New London. Western Massachusetts hosts the "Five Colleges," Amherst College, Hampshire College, Mount Holyoke College, Smith College, and the University of Massachusetts Amherst.

The 540,000 square foot Connecticut Convention Center and attached hotel is the largest full-service hotel/convention facility between New York and Boston. The convention center and hotel are part of a 30-acre shopping, entertainment and residential district. The MassMutual Center, located in downtown Springfield, is a multi-purpose 8,000-seat arena and convention center with 100,000 square feet of meeting space.

LEISURE TRAVEL DEMAND

The Region is a popular vacation destination attracting leisure visitors from around the world. The Airport's geographical location provides visitor's access to a range of activities from the mountains to the beach. Leisure travelers come to the Region for many reasons, but popular activities include viewing the fall foliage and visiting sites of the American Revolution.

Historical significance: Connecticut and Massachusetts, as 2 of the 13 original colonies, provide a wealth of well-preserved colonial- and Revolutionary War-era sites for tourists to visit. Some of the

Region's historic attractions include the homes of Mark Twain and Harriet Beecher Stowe in Hartford and the Henry Whitfield House in Guilford, Connecticut's oldest surviving house. Springfield, Massachusetts was the site of Shays' Rebellion, a post-Revolution uprising against perceived economic and civil rights injustices. Fort Griswold in Groton, Connecticut, is the site of the last of the Revolutionary War's New England battles.

Outdoor activities: Many visitors are attracted to the beaches and state parks along Connecticut's 250-mile Long Island Sound shoreline while inland mountain ranges (including the Berkshires of western Massachusetts) lure snow sport enthusiasts. Throughout the Region, visitors can play golf, visit adventure and theme parks, go white water rafting, skiing, hiking, and biking.

The rural areas of the Region are particularly popular among tourists in the autumn, due to the scenic and colorful foliage. Route 2, also called the Mohawk Trail, is a historic road that travels through the northern Berkshire Mountains. Route 7 in the Litchfield Hills was named one of the most scenic stretches in the country by National Geographic Traveler.

Museums and wildlife: The Region is home to Mystic Aquarium and The Maritime Aquarium; Connecticut's Beardsley Zoo in Bridgeport; the Action Wildlife Foundation (a 116-acre animal sanctuary) and nature centers. Also popular is the seaport town of Mystic, home to transportation museums featuring the last of the 19th-century wooden whaling vessels.

Cultural attractions: The Region provides numerous opportunities to take in the performing arts - theaters, opera, ballet, concerts, and music festivals. Tanglewood, a music venue in the Berkshire Hills, includes 3 music schools, is the summer home to the Boston Symphony Orchestra, and hosts festivals and concerts. Travelers can attend art festivals, such as the 17th Annual Berkshires Arts Festival, or museums and art galleries, such as the Yale University Museum of Art.

Casinos: The two casinos located in Connecticut: Mohegan Sun, located in Uncasville, approximately a one hour drive southeast of BDL and Foxwoods Resort Casino, located in Mashantucket, also approximately a one hour drive southeast of BDL, are two of the top 20 employers in the Region. Mohegan Sun, created by the Mohegan Tribe of Connecticut, is a destination encompassing three casinos, two hotels, restaurants and bars, live entertainment, spas, shopping, a 10,000-seat arena and 275,000 square feet of meeting space. Foxwoods Resort Casino is a hotel and casino complex owned and operated by the Mashantucket Pequot Tribal Nation offering seven casinos; hotels, restaurants and bars, spas, shopping, a golf course and theaters. MGM Springfield is a $1 billion hotel, casino and entertainment complex in Springfield, MA. It opened in late August 2018 and is the first Las Vegas-style resort in Massachusetts, employing approximately 3,000 workers.

ECONOMIC OUTLOOK

Outlook for the U.S. Economy

Following real (inflation-adjusted) national gross domestic product (GDP) growth of 2.4% in 2014, 2.6% in 2015, 1.6% in 2016, and 2.3% in 2017, the Congressional Budget Office forecasts real GDP growth of 3.0% in 2018, 2.8% in 2019, and an averaging of 1.7% per year thereafter.

Continued U.S. economic growth will depend on, among other factors, stable financial and credit markets, a stable value of the U.S. dollar versus other currencies, stable energy and other commodity prices, the ability of the federal government to reduce historically high fiscal deficits, inflation remaining

within the range targeted by the Federal Reserve, and growth in the economies of foreign trading partners and stable trading relationships.

Outlook for the Economy of the Airport Service Region

The economic outlook for the Region generally depends on the same factors as those for the nation. In their FY 2019 Midterm Economic Report of the Governor, the Connecticut Office of Policy and Management projects annual growth in Gross State Product averaging 1.7% in the years 2017 through 2020, lower than the nationwide rates of economic growth forecast by the Congressional Budget Office. (See Table 5.)

Table 5
Socioeconomic Projections

	Average annual percent increase (decrease)		
	Historical	Forecast	
	2000-2017	2017-2018	2018-2020
Connecticut			
Population	0.3%	1.1%	1.1%
Real gross state product (GSP)	0.4	0.9	2.0
Nonagricultural employment	(0.0)	(0.0)	0.5
United States			
Population	0.8%	0.7%	0.7%
Real gross domestic product (GDP)	1.7	2.6	2.5
Nonagricultural employment	0.6	1.4	1.4

Sources:
Population
Historical—U.S. Department of Commerce, Bureau of the Census website, www.census.gov. accessed September 2018.
Forecast—*The Connecticut Economic Digest*, Vol. 22 No. 12, December 2017.
U.S. Department of Commerce, Bureau of the Census website, www.census.gov. accessed September 2018.
Real gross state and gross domestic product:
Historical—U.S. Department of Commerce, Bureau of Economic Analysis website, www.bea.gov, accessed September 2018.
Forecast—*FY 2019 Midterm*, Economic Report of the Governor, February 7, 2018.
Nonagricultural Employment:
Historical—U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed September 2018.
Forecast—*FY 2019 Midterm*, Economic Report of the Governor, February 7, 2018.

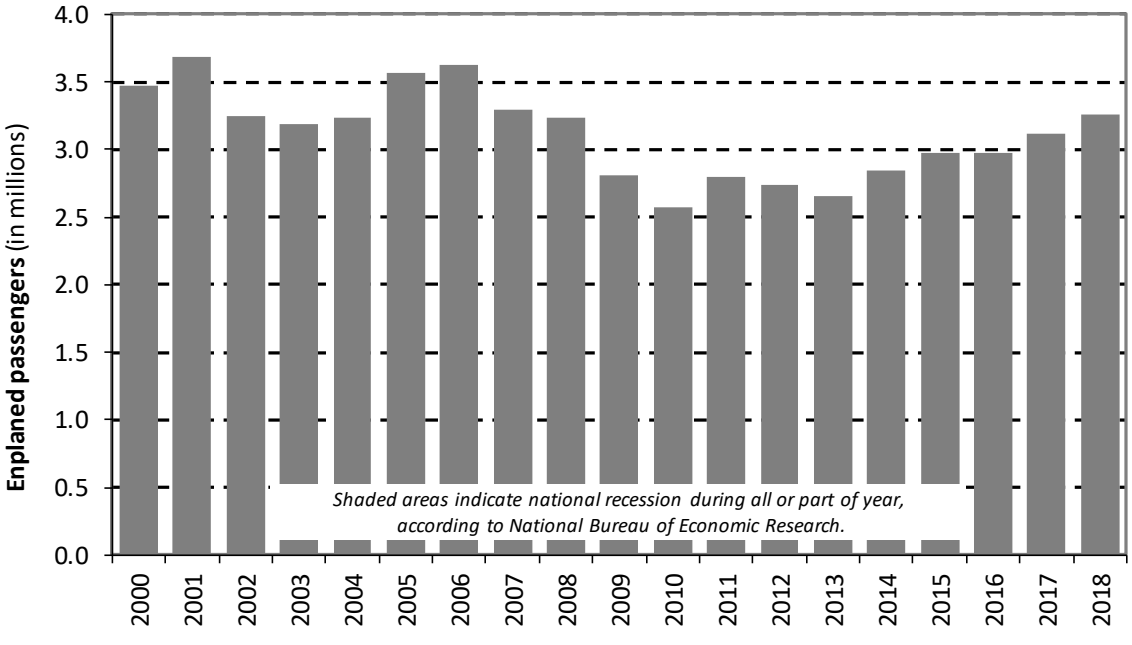
AVIATION DEMAND

This section considers how air service and fares affect passenger traffic at the Airport. This section examines past trends and presents forecasts through FY 2025 of visiting passengers—the segment of passenger traffic that may rent cars at the Airport. A base forecast of visiting passengers can be found at the end of this section and a lower "sensitivity" forecast later in this section.

Figure 8 depicts enplaned passengers at BDL from FY 2000 through FY 2018. Following the 2001 recession passenger growth resumed at the Airport and in FY 2006 enplaned passengers were 98% of 2001 levels. The Airport experienced a steep decline in passengers beginning in FY 2007, as the nation was entering the 2008-2009 recession. There were approximately 1 million fewer enplaned passengers in FY 2010 than in FY 2006. Starting in FY 2013 the Airport experienced five years of growth averaging 4.2% annually.

The Airport does not serve as a connecting hub for any airline. In FY 2018, 99.5% of the passengers originated or terminated their flights at the Airport, while only 0.5% connected from one flight to another. The majority of passengers at BDL enplane on domestic flights (97.4% in FY 2018).

Figure 8
Historical Enplaned Passengers
Bradley International Airport
(Fiscal Years ended June 30)



Source: Bradley International Airport records.

AIR SERVICE TRENDS

Airline Service

Table 6 lists the airlines that served the Airport in December 2018. Six of the ten largest U.S. passenger airlines, as measured by the number of passengers enplaned, provided service at the Airport.

Table 6
Airlines Serving the Airport
Bradley International Airport
(December 2018)

Mainline	Regional
American	Commutair (United)
Delta	Endeavor (Delta)
JetBlue	Envoy (American)
Southwest	ExpressJet (Delta, United)
Spirit	GoJet (Delta, United)
United	Mesa (United)
	Piedmont (American)
Foreign-flag	PSA (American)
Aer Lingus	Republic (American, Delta, United)
Jazz Aviation (Air Canada)	SkyWest (Delta, United)

Source: Bradley International Airport records.

Air Service Trends

Figure 9 shows the domestic and international airports with daily nonstop service from BDL as scheduled for December 2018. Southwest started service to St. Louis in August 2018, and United started service to Houston (Intercontinental) in October 2018. Via Airlines announced new service to Pittsburgh commencing July 2019, and Frontier announced new service to Denver starting in March 2019, followed by Raleigh-Durham in April, and Orlando in May. Nonstop service to Myrtle Beach, South Carolina is seasonal and does not operate in the winter months. United operated nonstop service to San Francisco from June 2018 through September 2018.

In December 2018, nonstop scheduled service was provided to 25 domestic airports, 7 of which were served by two or more airlines. Nonstop service was provided to 4 international airports in December 2018. Delta offers weekly service to Cancun during the winter months (December to April), Aer Lingus offered daily service to Dublin 3-4 times per week during December, increasing to Daily from April to October, and Air Canada offered one daily flight to Montreal and three daily flights to Toronto. Norwegian Air operated three flights per week to Edinburgh, Scotland, but ceased operations in March 2018. The airline attributed the cessation to the Scottish government's decision not to reduce air passenger taxes.

Figure 9
Destinations with Nonstop Passenger Airline Service

LEGEND

○ Destinations with scheduled service by only one airline.

● Destinations with scheduled service by more than one airline.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2019.

Figure 9
DESTINATIONS WITH NONSTOP PASSENGER AIRLINE SERVICE
Bradley International Airport
Scheduled Service in December 2018

Table 7 details trends in domestic passenger airline service at the Airport since 2000. Between 2008 and 2010 there was a 26.7% reduction in the number of destinations served nonstop from BDL (22 destinations served in 2010 compared with 30 destinations served in 2008). Most of the reductions occurred between 2008 and 2009 as the airlines scaled back system-wide seat capacity during the economic recession. Some of the destinations that lost service were smaller communities with turboprop or regional jet service, but the network airlines ended service to some of their hubs as well, including Frontier to Denver (Frontier filed for Chapter 11 bankruptcy protection in April 2008), Continental to Houston, Delta to Los Angeles, Midwest Airlines to Milwaukee, and US Airways to Phoenix. The start of service to Myrtle Beach (Spirit) and San Francisco (United) increased the number of destinations served to 24 in 2018.

Between 2010 and 2018 the number of average daily departing flights decreased 4.3% and average daily scheduled seats increased 16.7%, reflecting a trend in increasing aircraft size from regional jets to larger mainline jets.

Table 7
Daily Domestic Passenger Service
Bradley International Airport
(As scheduled for July of years noted)

	2000	2008	2010	2018
NUMBER OF DESTINATIONS SERVED NONSTOP (a)	**34**	**30**	**22**	**24**
Change from previous year shown		(4)	(8)	2
By aircraft type:				
Total jet	30	29	21	24
Mainline jet	*29*	*22*	*17*	*21*
Regional jet	*7*	*17*	*10*	*10*
Turboprop	6	3	1	-
AVERAGE DAILY DEPARTING FLIGHTS	**140**	**108**	**92**	**88**
Change from previous year shown		(32)	92	(4)
By aircraft type:				
Total jet	113	103	90	88
Mainline jet	*102*	*59*	*53*	*64*
Regional jet	*11*	*43*	*37*	*24*
Turboprop	27	5	1	-
AVERAGE DAILY DEPARTING SEATS	**15,622**	**10,954**	**9,724**	**11,344**
Change from previous year shown		(4,668)	(1,231)	792
By aircraft type:				
Total jet	14,626	10,666	9,673	11,344
Mainline jet	*13,968*	*8,150*	*7,339*	*9,750*
Regional jet	*658*	*2,516*	*2,334*	*1,594*
Turboprop	996	288	50	-

Note: Columns may not add to totals shown because of rounding.

(a) Some cities are served by more than one airport and some airports are served by more than one aircraft type.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed September 2018.

Table 8 shows how airline service has changed since 2000 in the top 20 domestic originating city-pair markets for BDL. The top 20 routes accounted for 90.9% of scheduled departing seats at the Airport in July 2018. In July 2018, nonstop service was provided in all but two of BDL's top 20 originating passenger markets (Phoenix and Fort Myers) and competing nonstop service was offered in six of top 20 markets. Nonstop service is operated to Fort Myers in all months except for July and August. Service is provided to the hubs and focus cities of the major network airlines (American, Delta, Southwest, and United) providing opportunities for connections to destinations throughout those airlines' networks.

AIRLINE PASSENGER TRENDS

Table 9 shows historical enplaned passenger numbers at the Airport by sector and by originating and connecting components.

Passenger traffic growth from FY 2000 to FY 2006 averaged 0.7% per year, but starting in FY 2007, as the economy entered the recession, passenger numbers decreased for the next four years. Passenger numbers in FY 2010 were 71% of FY 2006 numbers. A resumption of economic growth, more seat capacity, and the start of JetBlue service in November 2010 resulted in passenger growth of 8.9% in FY 2011. Between FY 2010 and FY 2018 enplaned passenger numbers increased an average of 3.0% per year. The number of enplaned passengers at BDL increased 4.5% in FY 2018 over FY 2017. Virtually all of the growth in the domestic sector is attributable to Spirit which started service at the Airport in April 2017. The increase in international enplanements is due to Aer Lingus, which started service at BDL in September 2016 and Norwegian Air which operated at BDL between June 2017 and March 2018.

Passenger Traffic by Airline

Table 10 presents the airline market shares of enplaned passengers at the Airport from FY 2000 through FY 2018. In FY 2018, American and Southwest enplaned the largest shares of passengers at the Airport (24.8% and 24.0% respectively), followed by Delta (19.3%), JetBlue (12.9%), and United (10.3%). Spirit, who started service in FY 2017, had the largest increase in enplaned passenger share, from 0.6% in FY 2017 to 5.6% in FY 2018. Aer Lingus enplaned 1.2% of passengers in FY 2018. No other airline accounted for more than 1% of enplaned passengers in FY 2018.

Table 8

Airline Service to Top Domestic Originating Passenger Destinations

Bradley International Airport

(As scheduled for July of years noted)

Rank (a)	Destination *Airport*	Airlines providing nonstop service 2018	Average daily Aircraft departures 2000	2008	2010	2018	Average daily Departing seats 2000	2008	2010	2018
1	Orlando	B6,NK,WN	8	5	5	7	930	690	672	1,130
2	Washington DC/Baltimore	AA,B6,UA,WN	23	17	17	18	2,447	2,037	1,895	1,986
	Dulles	*UA*	*7*	*5*	*5*	*4*	*784*	*474*	*523*	*470*
	Reagan	*AA,B6*	*4*	*5*	*4*	*8*	*457*	*495*	*356*	*512*
	Baltimore/Washington	*WN*	*12*	*8*	*7*	*7*	*1,206*	*1,068*	*1,016*	*1,004*
3	Fort Lauderdale	B6,NK,WN	3	1	-	4	341	174	-	646
4	Tampa	B6,WN	-	4	3	3	-	447	394	466
5	Chicago	AA,UA,WN	13	12	13	12	1,871	1,238	1,394	1,474
	O'Hare	*AA,UA*	*11*	*10*	*11*	*9*	*1,597*	*849*	*1,023*	*1,019*
	Midway	*WN*	*2*	*3*	*3*	*3*	*274*	*389*	*371*	*455*
6	Atlanta	DL	6	6	6	6	1,035	830	829	1,005
7	Los Angeles (LAX)	AA	1	1	1	1	146	88	134	160
8	Fort Myers	-	-	-	-	-	-	-	-	-
9	San Juan, PR	B6	1	1	1	2	176	188	148	300
10	Denver	UA,WN	1	1	1	2	126	132	137	325
11	Charlotte	AA	4	6	6	6	546	735	789	835
12	San Francisco (SFO)	UA	1	-	-	1	126	-	-	128
13	West Palm Beach	B6	3	1	1	1	341	142	124	150
14	Dallas/Fort Worth (DFW)	AA	4	3	3	2	516	439	420	305
15	Las Vegas	WN	1	1	1	1	142	137	137	175
16	Minneapolis/St. Paul	DL	4	3	4	4	513	375	410	476
17	Detroit	DL	5	5	5	4	562	486	535	541
18	Phoenix	-	1	1	-	-	150	120	-	-
19	Raleigh-Durham	DL	6	4	-	1	397	148	-	49
20	Miami	AA	1	1	1	1	129	148	148	160
	Total top 20 markets		85	73	68	75	10,494	8,553	8,167	10,311
	Other markets		55	35	24	13	5,128	2,401	1,557	1,033
	Total all markets		140	108	92	88	15,622	10,954	9,724	11,344

Note: Columns may not add to totals shown because of rounding.

(a) Top 20 destinations ranked by numbers of domestic originating passengers for the 12 months ended June 2018.

(b) Airlines operating scheduled passenger service.

Legend: AA=American Airlines, B6=JetBlue Airways, DL=Delta Air Lines, NK=Spirit Airlines, UA=United Airlines, WN=Southwest Airlines.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed September 2018.

Table 9

Historical Enplaned Passengers by Component

Bradley International Airport

(Fiscal Years ended June 30)

	By sector		By passenger type			Annual percent increase (decrease)		
Fiscal Year	Domestic	International	Originating (a)	Connecting	Total	Domestic	International	Total
2000	3,417,371	59,432	3,444,019	32,784	3,476,803			
2001	3,623,783	65,284	3,659,369	29,698	3,689,067	6.0%	9.8%	6.1%
2002	3,198,361	53,410	3,228,727	23,044	3,251,771	(11.7)	(18.2)	(11.9)
2003	3,140,289	48,330	3,166,905	21,714	3,188,619	(1.8)	(9.5)	(1.9)
2004	3,205,468	32,433	3,218,026	19,875	3,237,901	2.1	(32.9)	1.5
2005	3,536,795	31,876	3,545,259	23,412	3,568,671	10.3	(1.7)	10.2
2006	3,596,644	33,206	3,606,162	23,688	3,629,850	1.7	4.2	1.7
2007	3,253,157	43,559	3,271,172	25,544	3,296,716	(9.6)	31.2	(9.2)
2008	3,167,132	65,228	3,200,419	31,941	3,232,360	(2.6)	49.7	(2.0)
2009	2,770,260	36,690	2,784,413	22,537	2,806,950	(12.5)	(43.8)	(13.2)
2010	2,550,380	23,805	2,552,591	21,594	2,574,185	(7.9)	(35.1)	(8.3)
2011	2,780,451	22,457	2,780,723	22,185	2,802,908	9.0	(5.7)	8.9
2012	2,718,213	21,926	2,719,175	20,964	2,740,139	(2.2)	(2.4)	(2.2)
2013	2,631,626	21,881	2,633,419	20,088	2,653,507	(3.2)	(0.2)	(3.2)
2014	2,821,693	24,120	2,828,784	17,029	2,845,813	7.2	10.2	7.2
2015	2,944,539	25,423	2,952,370	17,592	2,969,962	4.4	5.4	4.4
2016	2,947,134	28,170	2,958,942	16,362	2,975,304	0.1	10.8	0.2
2017	3,057,053	60,413	3,101,515	15,951	3,117,466	3.7	114.5	4.8
2018	3,170,893	86,085	3,240,815	16,163	3,256,978	3.7	42.5	4.5
	Average annual percent increase (decrease)							
2000-2008	(0.9%)	1.2%	(0.9%)	(0.3%)	(0.9%)			
2008-2010	(10.3)	(39.6)	(10.7)	(17.8)	(10.8)			
2010-2018	2.8	17.4	3.0	(3.6)	3.0			
2000-2018	(0.4)	2.1	(0.3)	(3.9)	(0.4)			

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

(a) May include a very small number of passengers on foreign-flag airlines making connections between international flights.

Source: Bradley International Airport records and data from the U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Table 10
Airline Shares of Total Enplaned Passengers
Bradley International Airport
(Fiscal Years ended June 30)

	Enplaned passengers					
Airline	2000	2008	2010	2016	2017	2018
American	1,537,726	901,336	766,851	746,756	809,469	807,506
Southwest	250,295	673,868	634,251	822,452	811,642	780,671
Delta	982,692	1,053,891	752,026	644,882	633,412	628,307
JetBlue	-	-	-	434,670	432,901	420,471
United	519,871	505,535	398,715	302,062	353,336	354,562
Spirit	-	-	-	-	17,626	181,828
Aer Lingus	-	-	-	-	27,047	40,271
Air Canada	40,372	32,995	21,153	23,333	27,698	29,580
Norwegian	-	-	-	-	955	11,107
OneJet	-	-	-	-	2,510	2,675
Charter	22,272	1,703	1,189	1,149	870	-
Frontier	22,197	63,032	-	-	-	-
Midway	75,894	-	-	-	-	-
Shuttle America	25,484	-	-	-	-	-
Total	3,476,803	3,232,360	2,574,185	2,975,304	3,117,466	3,256,978

	Airline shares of total					
Airline	2000	2008	2010	2016	2017	2018
American	44.2%	27.9%	29.8%	25.1%	26.0%	24.8%
Southwest	7.2	20.8	24.6	27.6	26.0	24.0
Delta	28.3	32.6	29.2	21.7	20.3	19.3
JetBlue	-	-	-	14.6	13.9	12.9
United	15.0	15.6	15.5	10.2	11.3	10.9
Spirit	-	-	-	-	0.6	5.6
Aer Lingus	-	-	-	-	0.9	1.2
Air Canada	1.2	1.0	0.8	0.8	0.9	0.9
Norwegian (a)	-	-	-	-	0.0	0.3
OneJet (a)	-	-	-	-	0.1	0.1
Charter	0.6	0.1	0.0	0.0	0.0	-
Frontier	0.6	2.0	-	-	-	-
Midway	2.2	-	-	-	-	-
Shuttle America	0.7	-	-	-	-	-
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes: Passengers reported by regional affiliates are grouped with their respective code-sharing partners. Columns may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

(a) Norwegian and OneJet ceased service in March 2018 and August 2018 respectively.

Source: Bradley International Airport records.

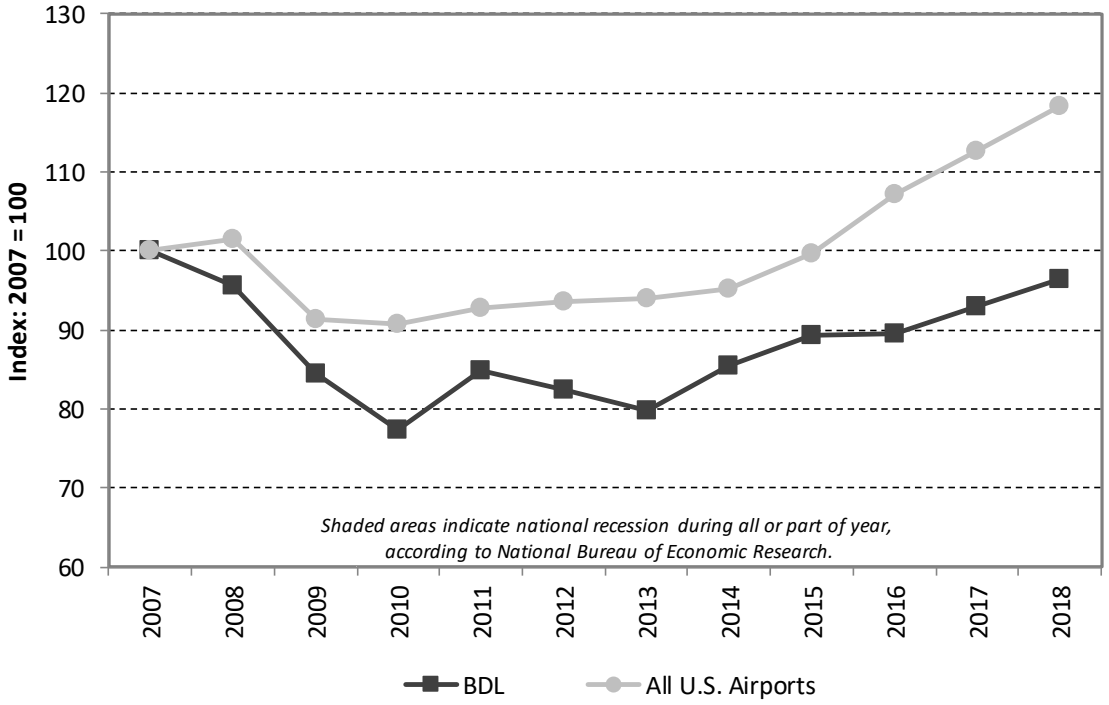
Originating Passengers and Airfares

Originating passenger growth at BDL was slower than that of the nation from FY 2007 through FY 2018 (see Figure 10). Relative to the nation, passenger traffic at the Airport underwent a more pronounced and longer decline during and after the 2008-2009 economic recession. Since FY 2013, growth in the number of domestic originating passengers at BDL has been positive.

Figure 11 shows domestic originating passengers and average domestic airfares at BDL from FY 2007 to FY 2018. Since FY 2013, the average airfare has remained virtually unchanged while originating passengers have increased.

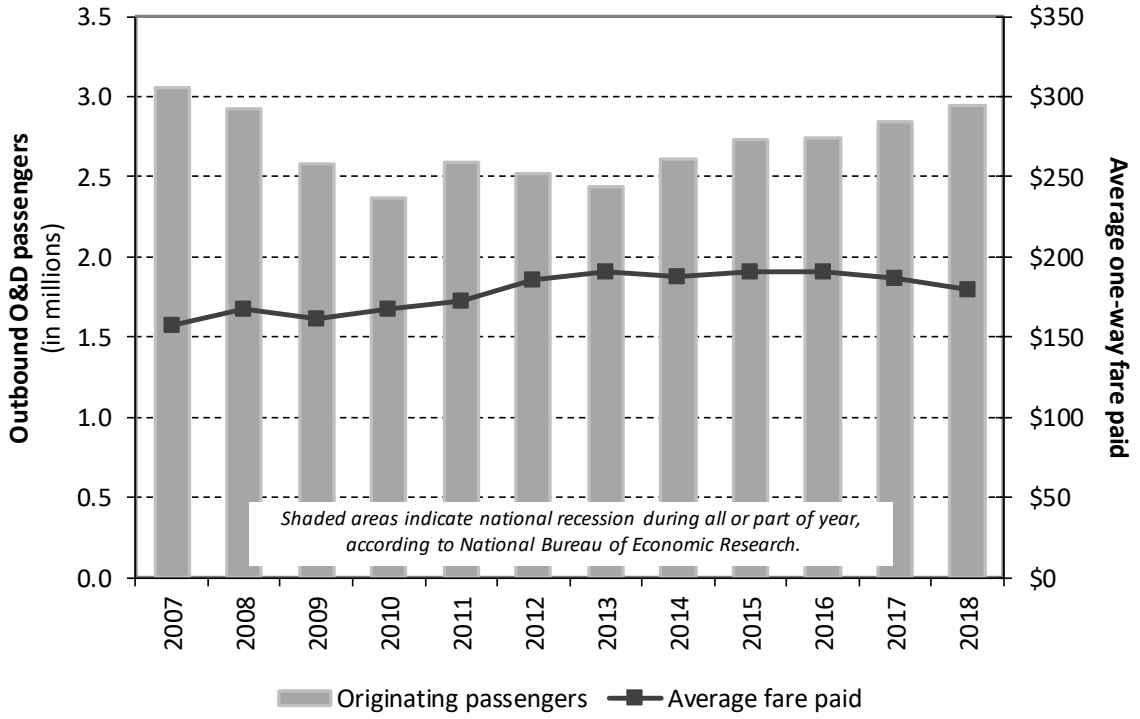
The average airfares shown in Figure 11, as reported by the airlines to the U.S. DOT, exclude optional charges for services such as checked baggage, preferred seating, in-flight meals, entertainment, and ticket changes. Such charges have become widespread in the airline industry since 2006. As a result, the average airfares shown understate the amount actually paid by airline passengers for their travel, particularly for recent years. Optional charges that were previously included in the ticket price vary by airline and are not all separately reported to the U.S. DOT, but they have been estimated by industry analysts to amount to an effective average surcharge on domestic airfares of approximately 5% of ticket fare revenues. The amount of optional charges varies by market and is affected by airline mix and traveler trip purpose (i.e., business vs. leisure).

Figure 10
Index of Outbound Domestic Originating Passengers
Bradley International Airport and All U.S. Airports
(for the 12 months ended June 30)



Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Figure 11
Domestic Originating Passengers and Average Fare Paid
Bradley International Airport
(Fiscal Years ended June 30)



Note: Average one-way fares excluding taxes, fees, passenger facility charges, and charges for optional services.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Table 11 presents data on domestic originating passengers and average airfares for the top 20 domestic originating passenger markets from the Airport. In FY 2018, the top 20 destinations accounted for 69.4% of all domestic originating passengers. This table generally illustrates the stimulative effect of lower airfares on passenger traffic and, conversely, the dampening effect of higher airfares. For example, the four BDL markets with decreases in passenger volumes between FY 2007 and FY 2018, namely, Orlando, Fort Lauderdale, Atlanta, and Fort Myers, experienced the largest increases in average airfares among the top 20 markets. By contrast, the Chicago and Phoenix markets recorded two of the largest increases in passenger volumes with the largest decreases in airfares. Notably, this occurrence isn't evidenced on many of the Florida routes where originating passenger numbers increased along with average fares, although fares to Florida are generally low, in part because of competitive service provided by JetBlue.

Table 11

Passengers and Airfares to Top 20 Domestic Destinations

Bradley International Airport

(Fiscal Years ended June 30)

		Average daily domestic originating enplaned passengers						Average one-way fare (a)				
					As percent of total	Percent increase (decrease)					Percent increase (decrease)	
Rank	Destination	2000	2007	2018	2018	2000-2007	2007-2018	2000	2007	2018	2000-2007	2007-2018
1	Orlando	807	659	825	10.2%	(18.4%)	25.2%	$92.83	$126.38	$117.78	36.2%	(6.8%)
2	Washington DC/Baltimore (b)	719	659	608	7.5	(8.3)	(7.7)	85.29	101.15	116.29	18.6	15.0
3	Fort Lauderdale	370	324	532	6.6	(12.3)	64.3	101.81	133.57	101.53	31.2	(24.0)
4	Tampa	344	424	496	6.1	23.4	17.1	92.92	116.02	115.04	24.9	(0.8)
5	Chicago (c)	471	501	358	4.4	6.2	(28.5)	148.14	133.15	217.27	(10.1)	63.2
6	Atlanta	450	237	326	4.0	(47.3)	37.4	124.92	237.37	189.43	90.0	(20.2)
7	Los Angeles (d)	319	339	280	3.5	6.3	(17.5)	203.19	188.61	251.25	(7.2)	33.2
8	Fort Myers	122	151	272	3.4	23.1	80.9	107.98	136.04	124.82	26.0	(8.2)
9	San Juan, PR	133	170	200	2.5	28.0	17.4	188.08	164.40	174.17	(12.6)	5.9
10	Denver	128	154	196	2.4	19.9	27.3	215.88	158.97	222.99	(26.4)	40.3
11	Charlotte	125	158	192	2.4	26.0	21.7	222.43	161.72	216.88	(27.3)	34.1
12	San Francisco (e)	251	220	187	2.3	(12.2)	(15.0)	256.60	192.85	248.63	(24.8)	28.9
13	West Palm Beach	337	200	175	2.2	(40.7)	(12.6)	109.57	140.15	157.03	27.9	12.0
14	Dallas/Fort Worth (f)	208	186	164	2.0	(10.7)	(11.5)	246.73	229.87	262.07	(6.8)	14.0
15	Las Vegas	168	236	160	2.0	40.7	(32.2)	144.54	156.47	207.15	8.3	32.4
16	Minneapolis/St. Paul	120	156	159	2.0	30.5	2.0	281.41	235.77	250.95	(16.2)	6.4
17	Detroit	126	128	137	1.7	1.4	6.8	224.08	176.29	206.66	(21.3)	17.2
18	Phoenix	177	190	127	1.6	7.6	(33.1)	153.40	161.45	234.82	5.2	45.4
19	Raleigh-Durham	159	145	106	1.3	(8.6)	(27.4)	121.16	133.60	171.44	10.3	28.3
20	Miami	100	80	104	1.3	(20.4)	30.1	135.35	151.59	154.26	12.0	1.8
	Average top 20 markets	5,634	5,316	5,604	69.4%	(5.6%)	5.4%	$140.07	$150.37	$165.11	7.4%	9.8%
	All other markets	3,251	3,059	2,472	30.6	(5.9)	(19.2)	179.75	170.24	213.42	(5.3)	25.4
	Average all markets	8,884	8,375	8,076	100.0%	(5.7%)	(3.6%)	$154.58	$157.63	$179.89	2.0%	14.1%

Notes: Columns may not add to totals shown because of rounding. Percentages shown were calculated using unrounded numbers.

(a) Average one-way fares excluding taxes, fees, passenger facility charges, and charges for optional services.
(b) Dulles, Reagan, and Baltimore airports.
(c) O'Hare and Midway airports.
(d) Los Angeles, Burbank, Long Beach, Ontario, and Orange County airports.
(e) San Francisco, Oakland, and San Jose airports.
(f) Dallas/Fort Worth Airport and Love Field.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Visiting Passengers

In FY 2018 visiting passengers (i.e., those originating passengers whose trip itineraries did not originate at BDL) accounted for 40.1% of originating passengers while residents (i.e., those passengers whose itineraries originated at BDL) accounted for the remaining 59.9%. (See Table 12.) The ratio of residents to visitors has remained virtually unchanged since FY 2000. Both traffic segments were affected by the 2008-2009 recession and both the resident segment and the visitor segment grew at similar annual rates (2.9% and 3.3%, respectively) over the following eight years.

Table 12
Originating Passengers by Type of Passenger
Bradley International Airport
(Fiscal Years ended June 30)

	Originating passengers (a)				
				Share of originating total (d)	
Fiscal Year	Resident (b)	Visitor (c)	Total	Resident	Visitor
2000	2,130,298	1,313,721	3,444,019	61.9%	38.1%
2001	2,269,797	1,389,572	3,659,369	62.0	38.0
2002	2,003,264	1,225,463	3,228,727	62.0	38.0
2003	1,978,746	1,188,159	3,166,905	62.5	37.5
2004	2,027,807	1,190,219	3,218,026	63.0	37.0
2005	2,213,660	1,331,599	3,545,259	62.4	37.6
2006	2,211,046	1,395,116	3,606,162	61.3	38.7
2007	1,990,737	1,280,435	3,271,172	60.9	39.1
2008	1,934,429	1,265,990	3,200,419	60.4	39.6
2009	1,689,498	1,094,915	2,784,413	60.7	39.3
2010	1,546,717	1,005,874	2,552,591	60.6	39.4
2011	1,697,326	1,083,397	2,780,723	61.0	39.0
2012	1,661,226	1,057,949	2,719,175	61.1	38.9
2013	1,598,880	1,034,539	2,633,419	60.7	39.3
2014	1,729,462	1,099,322	2,828,784	61.1	38.9
2015	1,796,930	1,155,440	2,952,370	60.9	39.1
2016	1,794,687	1,164,255	2,958,942	60.7	39.3
2017	1,861,112	1,240,403	3,101,515	60.0	40.0
2018	1,940,258	1,300,557	3,240,815	59.9	40.1
	Average annual percent increase (decrease)				
2000-2007	(1.0%)	(0.4%)	(0.7%)		
2007-2010	(8.1)	(7.7)	(7.9)		
2010-2018	2.9	3.3	3.0		
2000-2018	(0.5)	(0.1)	(0.3)		

Notes: Rows may not add to totals shown because of rounding. Percentages shown were calculated using unrounded numbers.

(a) Includes passengers on nonscheduled (charter) flights and nonrevenue passengers.
(b) Resident passengers are defined as those passengers whose flight itineraries began at Bradley.
(c) Visitor passengers are defined as those passengers whose flight itineraries began at airports other than Bradley.
(d) Because foreign-flag carriers do not report passenger numbers to the U.S. DOT O&D Survey, estimates were used to develop the resident and visitor data in the above table.

Sources: Bradley International Airport traffic reports and data from the US. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC

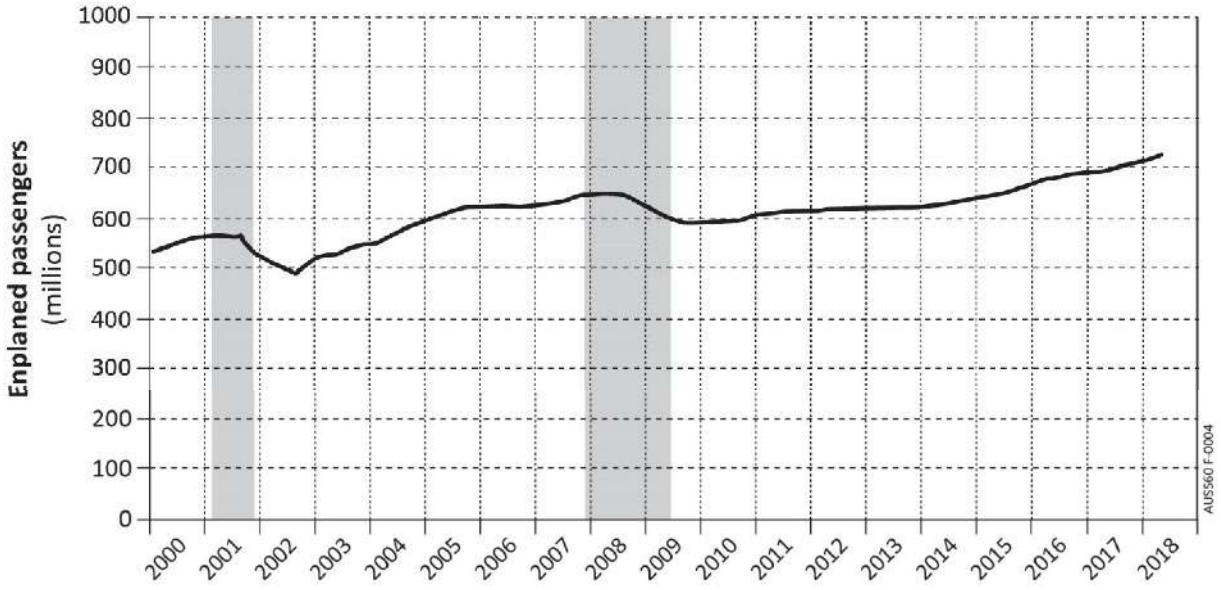
In addition to the demographics and economy of the Airport Service Region, as discussed earlier, key factors that will affect future airline traffic at the Airport include:

- Economic, political, and security conditions
- Financial health of the airline industry
- Airline service and routes
- Airline competition and airfares
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Capacity of the Airport

Economic, Political, and Security Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. As illustrated on Figure 12, recessions in the U.S. economy in 2001 and 2008-2009 and associated high unemployment reduced discretionary income and resulted in reduced airline travel.

Figure 12
Historical Enplaned Passengers on U.S. Airlines



Notes: Data shown are 12-month moving averages of enplaned passengers on scheduled and non-scheduled flights to domestic and international destinations. Shaded areas indicate months of economic recession.

Sources: U.S. DOT, Bureau of Transportation Statistics, T100 Market and Segment, www.rita.dot.gov, accessed October 2018; National Bureau of Economic Research, US Business Cycle Expansions and Contractions, www.nber.org.

The globalization of business and increased importance of international trade and tourism, international economics, trade balances, currency exchange rates, government policies, and political relationships all influence passenger traffic at major U.S. airports.

Concerns about hostilities, terrorist attacks, other security and public health risks, and associated travel restrictions also affect travel demand to and from particular international destinations. Beginning in March 2017, the Trump administration issued various orders seeking to restrict travel to the United States from certain countries, mainly in the Middle East and Africa. Following court challenges, in June 2018, the U.S. Supreme Court upheld the administration's most recent travel restrictions. As the restrictions are implemented, increased scrutiny by U.S. Customs and Border Protection will likely prevent or discourage some travel.

Sustaining current passenger traffic nationally and at the Airport, and achieving forecast increases at the Airport, will depend partly on global economic growth, stable and secure international conditions, and government policies that do not unreasonably restrict or deter travel.

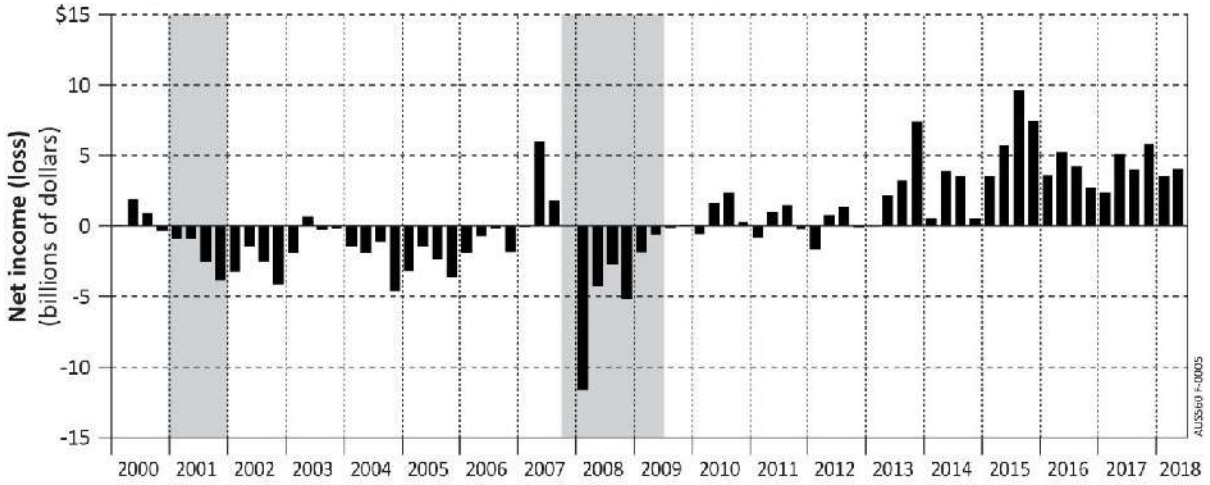
Financial Health of the Airline Industry

The number of passengers at the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines to make the investments necessary to provide service. Figure 13 shows historical net income for U.S. airlines.

As a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 attacks, increased fuel and other operating costs, and price competition, the industry experienced financial losses. The major U.S. passenger airlines collectively recorded net losses of approximately $46 billion in 2001 through 2006. To mitigate those losses, the major network airlines restructured their route networks and flight schedules and reached agreements with their employees, lessors, vendors, and creditors to cut costs. Between 2002 and 2005, Delta, Northwest, United, and US Airways all filed for Chapter 11 bankruptcy protection and restructured their operations.

In 2007, the U.S. passenger airline industry was profitable, recording net income of approximately $7 billion, but in 2008, as oil and aviation fuel prices increased to unprecedented levels and the U.S. economy contracted, the U.S. passenger airline industry recorded net losses of approximately $26 billion. The industry responded by, among other actions, grounding less fuel-efficient aircraft, eliminating unprofitable routes and hubs, reducing seat capacity, and increasing airfares. Between 2007 and 2009, the U.S. passenger airlines collectively reduced domestic capacity by approximately 10%, as measured by available seat-miles.

Figure 13
Net Income for U.S. Airlines



Notes: Includes scheduled service on U.S. carriers only. Shaded areas indicate quarters of economic recession. Data for the fourth quarter of 2005 and the first quarter of 2006 were adjusted to account for United bankruptcy claims which were settled for less than had been originally reported.

Source: U.S. DOT, Bureau of Transportation Statistics, Net Income, F41 Schedule P12, www.transtats.gov, accessed October 2018.

From 2010 to 2013, the U.S. passenger airline industry recorded net income of approximately $18 billion, notwithstanding sustained high fuel prices, by controlling capacity and nonfuel expenses, increasing airfares, recording high load factors, and increasing ancillary revenues. Between 2009 and 2013, the airlines collectively increased domestic seat-mile capacity by an average of 1.0% per year. American filed for bankruptcy protection in 2011.

In 2014, the U.S. passenger airline industry reported net income of $9 billion, assisted by reduced fuel prices. In 2015, the industry achieved record net income of $26 billion as fuel prices decreased further, demand remained strong, and capacity control allowed average fares and ancillary charges to remain high. Strong industry profitability continued in 2016 through mid- 2018. Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, and stable fuel prices.

Consolidation of the U.S. airline industry has resulted from the acquisition of Trans World by American (2001), the merger of US Airways and America West (2005), the merger of Delta and Northwest (2009), the merger of United and Continental (2010), the acquisition of AirTran by Southwest (2011), the merger of American and US Airways (2013), and the acquisition of Virgin America by Alaska (2016).

Such consolidation has resulted in four airlines (American, Delta, Southwest, and United) and their regional affiliates now accounting for approximately 80% of domestic seat-mile capacity. The consolidation has contributed to industry profitability, a trend that is expected by airline industry analysts to continue over the near term. However, any resumption of financial losses could cause one or more U.S. airline to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports and change

airline travel patterns nationwide. However, the Airport is primarily an origin-destination airport, so would be less directly affected by any such liquidations.

Airline Service and Routes

The Airport serves as a gateway to the Airport Service Region. The number of originating passengers at the Airport depends primarily on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airfares and service provided at the Airport and at other competing airports. Although passenger demand at an airport depends primarily on the population and economy of the region served, airline service and the numbers of passengers enplaned also depend on the route networks of the airlines serving that airport.

The large airlines have developed hub-and-spoke systems that allow them to offer high-frequency service to many destinations. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends primarily on the route networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry consolidated, airline service has been reduced at many former connecting hub airports, including those serving St. Louis (American, 2003-2005), Dallas-Fort Worth (Delta, 2005), Pittsburgh (US Airways, 2006-2008), Las Vegas (US Airways, 2007-2010), Cincinnati (Delta, 2009-2011), Memphis (Delta, 2011-2013), and Cleveland (United, 2014). The Airport serves almost exclusively originating passengers and is not dependent on connecting passengers.

Airline Competition and Airfares

Airline fares have an important effect on passenger demand, particularly for relatively short trips for which automobile and other surface travel modes are potential alternatives, and for price-sensitive "discretionary" travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airport, will depend, in part, on the level of airfares.

Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the Internet, and other competitive factors combined to reduce airfares between 2000 and 2005. During that period, the average domestic yield for U.S.-flag airlines decreased from 16.1 cents to 13.8 cents per passenger-mile. In 2006 through 2008, as airlines reduced capacity and were able to sustain airfare increases, the average domestic yield increased to 15.9 cents per passenger-mile. In 2009, yields again decreased, but, beginning in 2010, as airline travel demand increased, and seat capacity was restricted, yields increased to 17.7 cents per passenger-mile in 2015. Between 2015 and 2017, domestic yields decreased to 16.6 cents per passenger-mile, reflecting lower aviation fuel prices and increased airline competition.

Beginning in 2006, charges were introduced by most airlines for optional services such as checked baggage, preferred seating, in-flight meals, and entertainment, thereby increasing the effective price of airline travel more than these yield figures indicate.

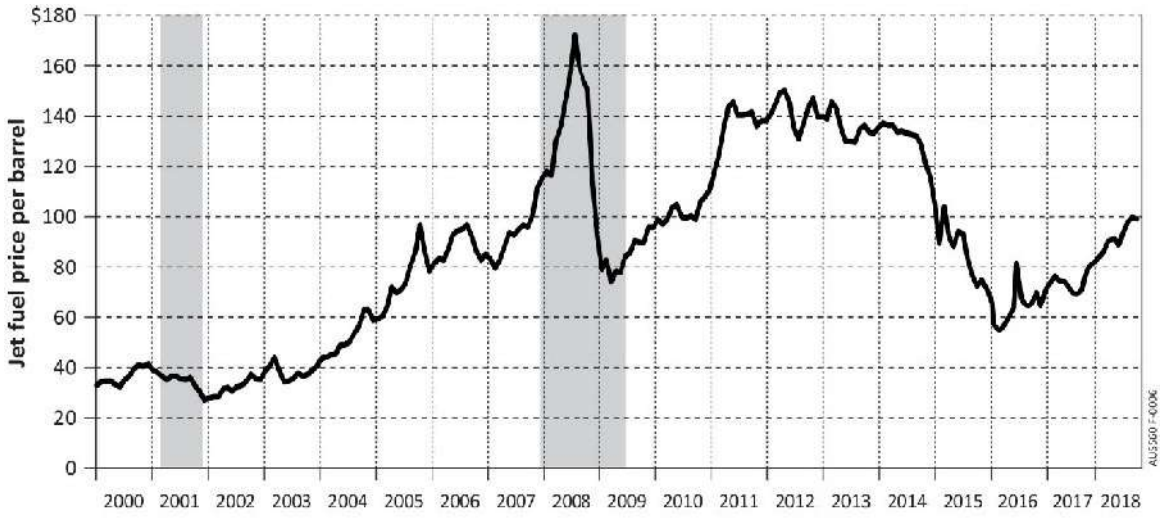
Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Figure 14 shows the historical fluctuation in aviation fuel prices since 2000. Beginning in 2003, aviation fuel prices increased as a result of the invasion and occupation of Iraq; political unrest in other oil-producing countries; the growing economies of China, India, and other developing countries; and other factors influencing the demand for and supply of oil. By mid-2008, average fuel prices were three times higher than they were in mid-2004 and represented the largest airline operating expense, accounting for between 30% and 40% of expenses for most airlines. Fuel prices decreased sharply in the second half of 2008 as demand for oil declined worldwide, but then increased beginning in early 2009 as demand increased.

Between 2011 and 2014, aviation fuel prices were relatively stable, partly because of increased oil supply from U.S. domestic production, made possible by the hydraulic fracturing of oil-bearing shale deposits and other advances in extraction technologies. As of mid-2014, average fuel prices were approximately three times those at the end of 2003.

Beginning in mid-2014, an imbalance between worldwide supply and demand resulted in a precipitous decline in the price of oil and aviation fuel. Decreased demand from China and other developing countries, combined with the lifting of trade sanctions on Iran and a continued surplus in the worldwide supply resulted in reductions in fuel prices through early 2016. Fuel prices have since increased, but the average price of aviation fuel at the end of 2018 was still approximately 70% of the price at mid-2014. Lower fuel prices are having a positive effect on airline profitability as well as far-reaching implications for the global economy.

Figure 14
Historical Aviation Fuel Prices



Notes: Data shown are monthly averages and were converted from gallons to barrels. Shaded areas indicate months of economic recession.

Source: U.S. DOT, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, F41 Schedule P12A, www.transtats.gov, accessed October 2018.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term, although, absent unforeseen disruptions, prices are expected to remain stable. There is widespread agreement that fuel prices are likely to increase over the long term as global energy demand increases in the face of finite oil supplies that are becoming more expensive to extract, although some economists predict that the development of renewable sources of energy, pressures to combat global climate change, the widespread use of electric cars, and other trends will eventually result in a decline in the demand for oil and associated downward pressure on fuel prices.

Aviation fuel prices will continue to affect airfares, passenger numbers, airline profitability, and the ability of airlines to provide service. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as part of efforts to reduce aircraft emissions contributing to climate change.

Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the September 2001 terrorist attacks were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed federal air marshals, federalization of airport security functions under the Transportation Security Administration (TSA), more effective dissemination of information about threats, more intensive screening of passengers and baggage, and deployment of new screening technologies. The TSA has introduced “pre-check” service to expedite the screening of passengers who have submitted to background checks.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, and other aviation safety concerns. Provided there are no major events and precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation, without imposing unacceptable inconveniences for airline travelers, future demand for airline travel will depend primarily on economic, not safety or security, factors.

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transportation System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, airline traffic delays nationwide have decreased because of reduced numbers of aircraft operations (down approximately 17% between 2007 and 2017) but, as airline travel increases in the future, flight delays and restrictions can be expected.

Capacity of the Airport

In addition to any future constraints that may be imposed by the capacity of the national air traffic control and national airport systems, future growth in airline traffic at the Airport will depend on the capacity of the Airport itself. The airline traffic forecast that follows is conditioned on the assumption that, during the forecast period, neither available airfield or terminal capacity, nor demand management initiatives by regulatory agencies or the Authority itself, will constrain traffic growth at the Airport.

AIRLINE TRAFFIC FORECASTS

The forecast of airline traffic at the Airport through FY 2023 was developed on the basis of the economic outlook for the Airport Service Region, trends in historical airline traffic, and key factors likely to affect future traffic, all as discussed earlier in this Report. The forecast for the Airport included in the FAA's *Terminal Area Forecast* (TAF), issued in January 2018, was also reviewed.

In developing the forecast in this Report, it was assumed that, over the long term, airline traffic at the Airport will increase as a function of growth in the economy of the Airport Service Region and continued airline service. It was assumed that airline service at the Airport will not be constrained by the availability of aviation fuel, the capacity of the air traffic control system or the Airport, charges for the use of aviation facilities, or government policies or actions that restrict growth.

The traffic forecast for the Airport was developed on the basis of the assumptions that:

1. The U.S. economy will experience sustained growth in GDP averaging between 2.0% and 2.5% per year, an average rate of GDP growth generally consistent with that projected by the Congressional Budget Office, as described in the earlier section “Economic Outlook.”

2. The economy of the Airport Service Region will grow at a slower rate than the U.S. economy as a whole.

3. The Airport will continue to be primarily an origin-destination airport and the small percentage of passengers connecting at the Airport will not change materially.

4. Airlines will continue to adjust service to meet travel demand at the Airport and competition among airlines will ensure competitive airfares for flights from the Airport.

5. The Airport will continue to be the primary commercial service airport for the Airport Service Region with no material change in air service at competing airports in the region.

6. A generally stable international political environment and safety and security precautions will ensure airline traveler confidence in aviation without imposing unreasonable inconveniences.

7. There will be no major disruption of airline service or airline travel behavior as a result of international hostilities, terrorist acts or threats, or government policies restricting or deterring travel.

Enplaned Passenger Forecast

The number of enplaned passengers at the Airport in FY 2018 was 3.26 million, up 4.5% from the number enplaned in FY 2017. On the basis of advance airline schedules and projected trends in airline capacity, passenger load factors, and flight completion factors, the number of enplaned passengers at

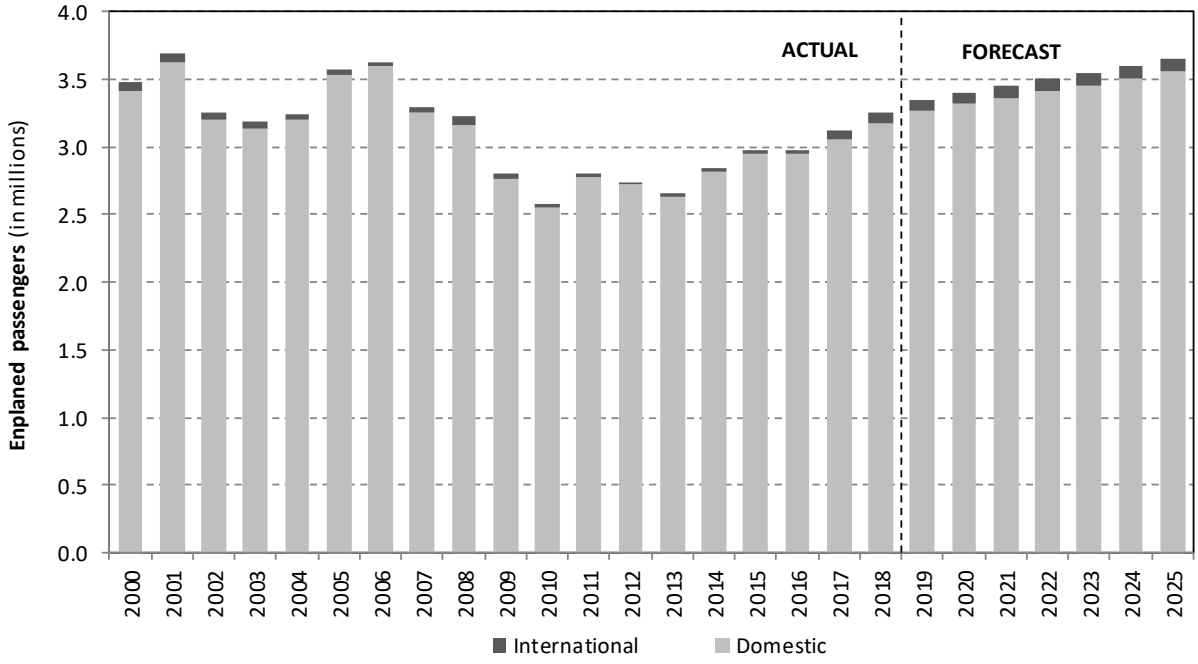
the Airport is forecast to reach 3.35 million in FY 2019, up 2.9% from the number enplaned in FY 2018. In the first quarter of FY 2019 (July through September) enplaned passengers increased 5.7% over the same quarter of FY 2018.

Between FY 2019 and FY 2025, the number of enplaned passengers at the Airport is forecast to increase an average of 1.4% per year. This is lower than the average rate forecast by the FAA for the Airport in the TAF (1.7% per year). A higher rate of passenger growth is not unusual in TAF forecasts, which are prepared by the FAA for purposes of facility and operational planning, compared with forecasts such as those presented herein, prepared for purposes of financial planning.

The number of enplaned passengers at the Airport is forecast to be 3.65 million in FY 2025, an increase of 12.1% from FY 2018. Figure 15 presents the forecast of enplaned passengers graphically. Table 13 presents historical and forecast enplaned passengers at the Airport by sector (domestic and international) and by type of passenger (originating and connecting).

Figure 15
Forecast of Enplaned Passengers
Bradley International Airport
(Fiscal Years ended June 30)

The forecast presented in this figure was prepared using the information and assumptions described in the accompanying text. Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.



Sources: Actual—Bradley International Airport records.
Forecast—LeighFisher, December 2018.

Table 13
Historical and Forecast Enplaned Passengers
by Type of Passenger
Bradley International Airport
(Fiscal Years ended June 30; passengers in thousands)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

	By flight destination		By type of passenger			Annual percent increase
Fiscal year	Domestic	International	Originating	Connecting	**Total**	(decrease)
2001	3,624	65	3,659	30	**3,689**	6.1%
2002	3,198	53	3,229	23	**3,252**	(11.9)
2003	3,140	48	3,167	22	**3,189**	(1.9)
2004	3,205	32	3,218	20	**3,238**	1.5
2005	3,537	32	3,545	23	**3,569**	10.2
2006	3,597	33	3,606	24	**3,630**	1.7
2007	3,253	44	3,271	26	**3,297**	(9.2)
2008	3,167	65	3,200	32	**3,232**	(2.0)
2009	2,770	37	2,784	23	**2,807**	(13.2)
2010	2,550	24	2,553	22	**2,574**	(8.3)
2011	2,780	22	2,781	22	**2,803**	8.9
2012	2,718	22	2,719	21	**2,740**	(2.2)
2013	2,632	22	2,633	20	**2,654**	(3.2)
2014	2,822	24	2,829	17	**2,846**	7.2
2015	2,945	25	2,952	18	**2,970**	4.4
2016	2,947	28	2,959	16	**2,975**	0.2
2017	3,057	60	3,102	16	**3,117**	4.8
2018A	3,171	86	3,241	16	**3,257**	4.5
2019F	3,268	82	3,333	17	**3,350**	2.9
2020	3,316	84	3,383	17	**3,400**	1.5
2021	3,364	86	3,433	17	**3,450**	1.5
2022	3,412	88	3,483	18	**3,500**	1.4
2023	3,460	90	3,532	18	**3,550**	1.4
2024	3,508	92	3,582	18	**3,600**	1.4
2025	3,556	94	3,632	18	**3,650**	1.4
	Average annual percent increase (decrease)					
2001-2018	(1.4)%	(5.4)%	(0.7)%	(3.5)%	**(0.7)%**	
2018-2019	3.7	42.5	2.9	3.6	**2.9**	
2019-2025	1.4	2.3	1.4	1.4	**1.4**	

Notes: A=Actual; F=Forecast; Figures may not add to totals shown because of rounding.

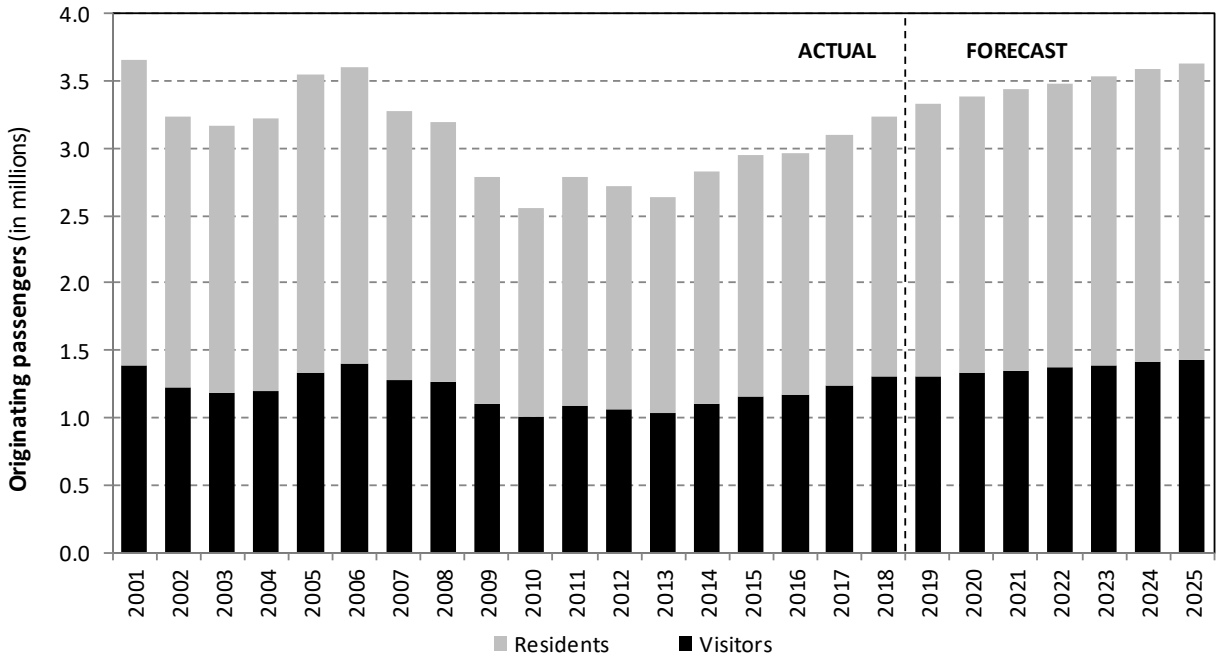
Sources: Actual—Bradley International Airport records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast—LeighFisher, December 2018.

Visiting Passenger Forecast

A view of the originating passenger forecast by segment is presented in Figure 16 and in Table 14. Visiting passengers at the Airport are projected to increase 0.7% in FY 2019, reaching 1.31 million passengers, after which growth is forecast at an average annual rate of 1.4%. In FY 2025, the number of visiting passengers is forecast to be 1.42 million. Visitor passengers are forecast to account for approximately 39.3% of originating passengers in FY 2025 (down slightly from 40.1% in FY 2018).

Figure 16
Forecast of Originating Passengers
Bradley International Airport
(Fiscal Years ended June 30)

This forecast was prepared on the basis of the information and assumptions given in the text. Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results may vary from the forecast, and the variance could be material.



Sources: Actual—Bradley International Airport records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast—LeighFisher, December 2018.

Table 14
Historical and Forecast Originating Passengers
Bradley International Airport
(Fiscal Years ended June 30; passengers in thousands)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material

	Originating					Annual percent increase (decrease)	
Fiscal year	Resident	% of Total	Visitor	% of Total	Total	Resident	Visitor
2000	2,130	61.9%	1,314	38.1%	3,444		
2001	2,270	62.0	1,390	38.0	3,659	6.5%	5.8%
2002	2,003	62.0	1,225	38.0	3,229	(11.7)	(11.8)
2003	1,979	62.5	1,188	37.5	3,167	(1.2)	(3.0)
2004	2,028	63.0	1,190	37.0	3,218	2.5	0.2
2005	2,214	62.4	1,332	37.6	3,545	9.2	11.9
2006	2,211	61.3	1,395	38.7	3,606	(0.1)	4.8
2007	1,991	60.9	1,280	39.1	3,271	(10.0)	(8.2)
2008	1,934	60.4	1,266	39.6	3,200	(2.8)	(1.1)
2009	1,689	60.7	1,095	39.3	2,784	(12.7)	(13.5)
2010	1,547	60.6	1,006	39.4	2,553	(8.5)	(8.1)
2011	1,697	61.0	1,083	39.0	2,781	9.7	7.7
2012	1,661	61.1	1,058	38.9	2,719	(2.1)	(2.3)
2013	1,599	60.7	1,035	39.3	2,633	(3.8)	(2.2)
2014	1,729	61.1	1,099	38.9	2,829	8.2	6.3
2015	1,797	60.9	1,155	39.1	2,952	3.9	5.1
2016	1,795	60.7	1,164	39.3	2,959	(0.1)	0.8
2017	1,861	60.0	1,240	40.0	3,102	3.7	6.5
2018A	1,940	59.9	1,301	40.1	3,241	4.3	4.8
2019F	2,023	60.7	1,310	39.3	3,333	4.3	0.7
2020	2,054	60.7	1,330	39.3	3,383	1.5	1.5
2021	2,084	60.7	1,349	39.3	3,433	1.5	1.5
2022	2,114	60.7	1,369	39.3	3,483	1.5	1.4
2023	2,144	60.7	1,388	39.3	3,532	1.4	1.4
2024	2,175	60.7	1,408	39.3	3,582	1.4	1.4
2025	2,205	60.7	1,427	39.3	3,632	1.4	1.4
	Average annual percent increase (decrease)						
2001-2018	(0.9)%		(0.4)%		(0.7)%		
2018-2019	4.3		0.7		2.9		
2019-2025	1.4		1.4		1.4		

Notes: A=Actual; F=Forecast; Figures may not add to totals shown because of rounding.

Sources: Actual—Bradley International Airport records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast—LeighFisher, December 2018.

Stress Test Forecast of Visiting Passengers

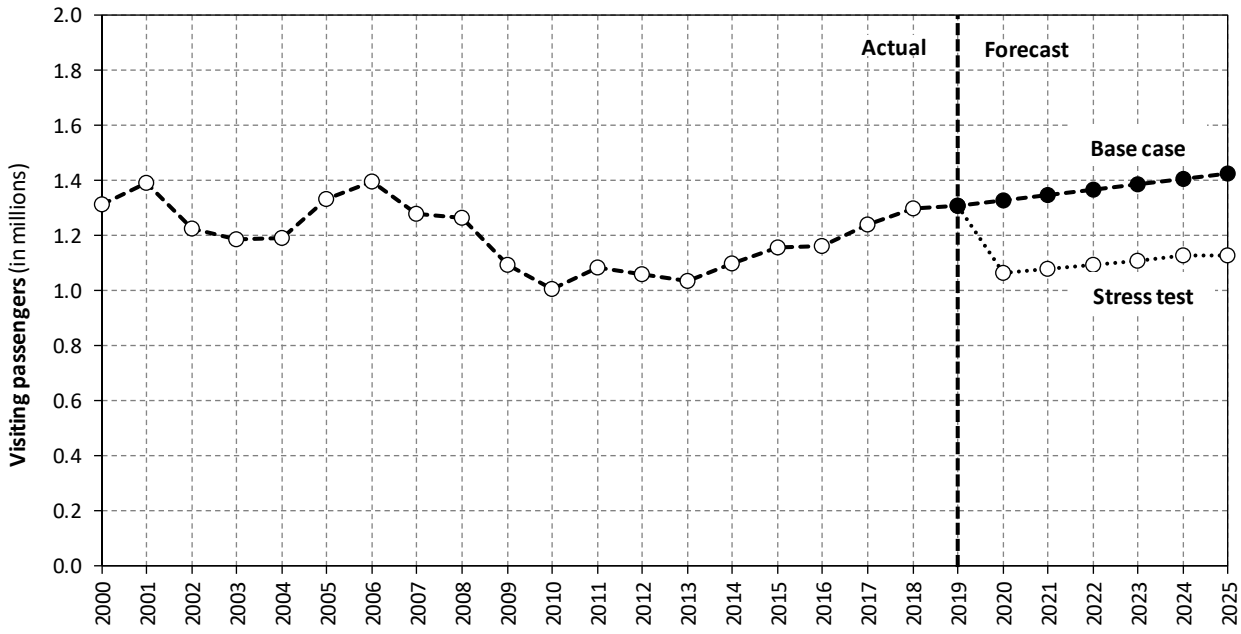
A stress test forecast of visiting passengers was developed to provide the basis for conducting a test of the Airport's CFC Revenues to hypothetical reductions in passenger numbers, such as could occur under conditions of weak economic growth or recession, restricted seat capacity, high airfares, and reduced connecting airline service that could result from changes in airline network strategies.

Relative to the base forecast, visiting passenger numbers are forecast to be 20% lower in FY 2020. The relative decrease in visiting passengers in the sensitivity is commensurate with the decrease in visiting passengers the Airport experienced during the 2008-2009 recession economic recession (-21.4%). Following the 20% decrease, passenger numbers would thereafter increase at the same rate as for the base case forecast.

The number of visiting passengers for the stress test in FY 2025 is forecast to be 1.14 million, compared with 1.41 million for the base case forecast. (See Figure 17.)

Figure 17
Base Case and Stress Test Forecasts of Visiting Passengers
Bradley International Airport
(Fiscal Years ended June 30)

This scenario was based upon hypothetical assumptions, as described in the text.



Sources: Actual—Bradley International Airport records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast—LeighFisher, December 2018.

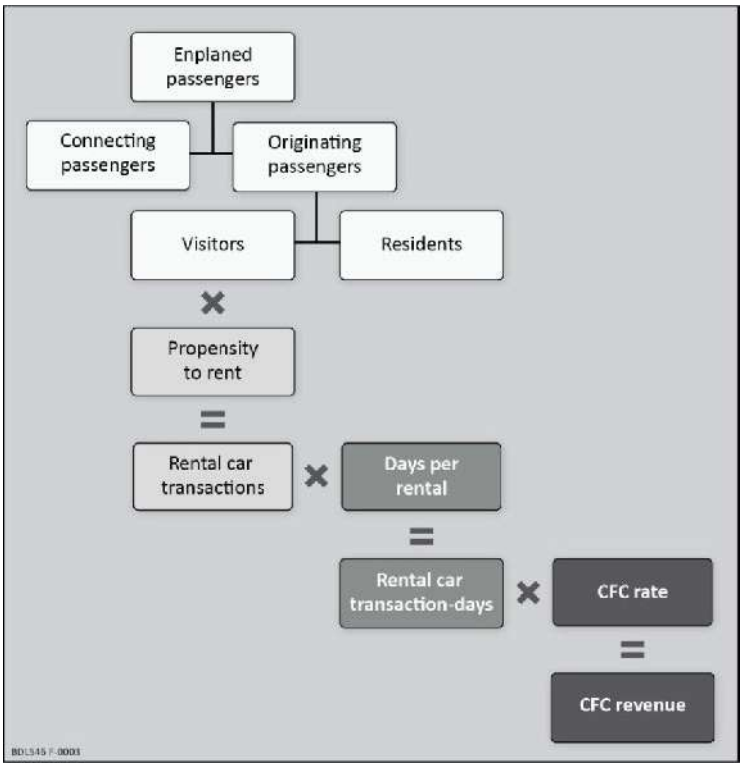
RENTAL CAR ANALYSIS

Originating passengers described in the prior section consist of both residents (those beginning flight itineraries at an airport) and visitors (those whose flight itineraries begin elsewhere). There is a correlation between:

- Parking transactions and parking revenues at an airport to trends in resident passengers, since a subset of resident passengers are likely to park at the airport.
- Rental car transactions and rental car revenues to visitor passengers, since a subset of visitor passengers are likely to rent cars at the airport.
- Other forms of ground transportation transactions and revenues to total originating passengers (including residents and visitors), since a subset of originating passengers are likely to utilize other forms of ground transportation.

For the purposes of the rental car financial analysis and Report, the primary correlations of consequence to forecasting CFC Revenues are: (1) visitor passengers (i.e., a subset of originating passengers, and those with a propensity to rent or consider renting a car), (2) propensity to rent (i.e., a subset of visitor passengers, those actually renting a car), (3) days per transaction (i.e., the length of time a car was rented for), and (4) the CFC rate per transaction-day. This section includes a discussion of general factors affecting rental car demand; factors affecting rental car demand at the Airport, analysis of rental car demand, forecast of rental car demand, and a rental car financial analysis. Figure 18 shows our conceptual approach to forecasting CFC Revenue.

Figure 18
CFC Revenue Forecast Methodology



GENERAL FACTORS AFFECTING RENTAL CAR DEMAND

This section presents a discussion of general factors that have historically or are expected in the future to affect rental car demand.

For visitor passengers the choice to rent a car versus using other ground transportation options is generally influenced by the following considerations:

- Rental Car Industry Profitability, Pricing, Consolidation
- Travel Purpose (Business/Leisure)
- Rental Car Costs in Total, and as a Percent of Total Travel Costs
- Convenience of Airport Rental Car Facilities
- Alternative Ground Transportation Options

In general, the decision to rent a car, among other factors, is made on the basis of the cost and convenience of the rental relative to the cost and convenience of other available travel modes for the duration of the stay.

Rental Car Industry Profitability, Pricing, Trends, and Consolidation

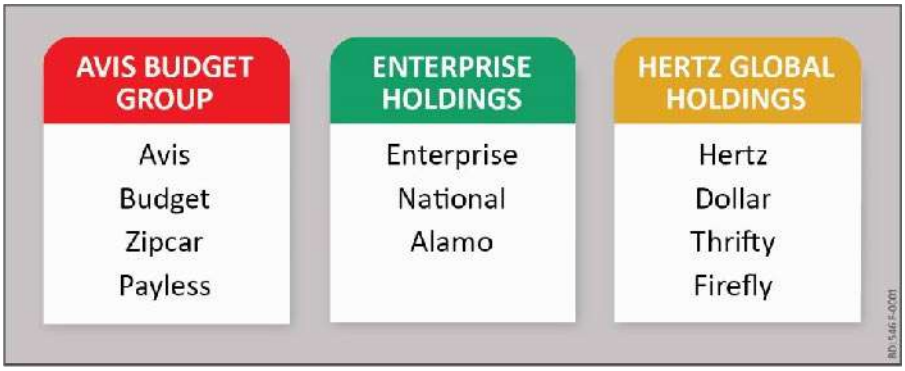
From the 1980s to the present, the changes in ownership of the rental car companies have transformed them from essentially car manufacturer-owned entities with a focus on the secondary market to publicly traded or privately held corporations with intense pressure for profitability. As the movement away from car manufacturer ownership to public or private ownership took place, the focus began to shift from pure market share competition to yield management and profitability.

In the past, predominantly business travel providers such as Avis saw their fleet being used heavily from Monday through Thursday, but had lower utilization rates on the weekend, the traditional leisure customer rental days. This is in contrast to predominantly leisure travel providers such as Budget that experienced higher utilization rates on the weekend, for example. When Avis acquired Budget, the companies were able to combine fleets, scaling the fleet more effectively to meet the combined demand of both business and leisure renters, thus maximizing their utilization rates.

Over the past two decades, the movement toward consolidation has significantly changed the rental car industry. Twenty years ago, there were eight major car rental companies, each operating a single brand. Those companies were Hertz, Avis, National, Budget, Alamo, Dollar, Thrifty and, as a major player in the insurance replacement industry, Enterprise. Today there are three major rental car companies, namely Hertz Corporation, Avis Budget Group, and Enterprise Holdings, each operating more than one of the brands listed in Figure 19. Consolidation within the industry, resulting in fewer companies making pricing decisions, as well as the development of more sophisticated yield management practices, has – all other things equal – improved the industry's profitability.

In addition to the benefits described above, consolidation allows rental car operators to use the same facilities and personnel to maintain the combined fleet for all brands, and to move cars easily between the brands' ready/return lines to meet changing demand patterns.

Figure 19
Nationwide Rental Car Brands and Families
(as of November 2018)



Travel Purpose (Business/Leisure)

A passenger's reason for travel to an Airport Service Region, as well as their travel plans while in the wider area, directly impact their propensity to rent a vehicle rather than choose an alternate form of transportation. Generally speaking, leisure travelers have a higher propensity to rent a car than business travelers.

Traditionally, the rental car industry has striven for a balance between business and leisure renters. In most rental car markets, it is generally anticipated that business customers rent early in the week – Monday or Tuesday morning, and return after midweek – Thursday or Friday. In these markets, rental car companies depend on leisure customers to utilize vehicles over the weekend.

Leisure travelers are generally considered to be more price conscious than business travelers, but the length of rental for leisure travelers is often longer and helps to offset lower prices. Business travelers typically generate higher yields for rental car companies and are less likely than leisure travelers to scale back travel needs during economic downturns.

Rental Car Costs in Total and as a Component of Total Travel Costs

A visitor's travel budget consists principally of four components: airfare, lodging, meals, and local transportation. Travelers can allocate budget among these components to satisfy their preferences and manage their total costs. Therefore, cost must be considered in conjunction with convenience and other factors. The cost of local transportation varies by travel itinerary and destination. In the absence of convenient public transportation, renting a car may be less costly than using a taxi or similar service. Public buses may be available at a lower cost, but only with some sacrifice in mobility.

Customer Facility Charges are fees levied on rental car operators by an airport to fund the capital and/or operating expenses of rental car facilities and related infrastructure at an airport. CFCs are usually charged at a stated rate per day, or at a rate per rental. Add-on fees and taxes, including the CFC, local and state taxes, and unbundled rental car operating costs such as tire recycling fees, facility maintenance costs, etc. have become a significant component of the cost of renting a car at most major U.S. airports. Depending on the base rental cost, the CFC rate, any caps or restrictions, and the level of

other fees and taxes, the CFC may constitute a considerable portion of the total rental cost. This practice of add-on fees and taxes has drawn scrutiny and criticism from travel writers, consumer advocacy groups and other travelers.

Convenience of Airport Rental Car Facilities

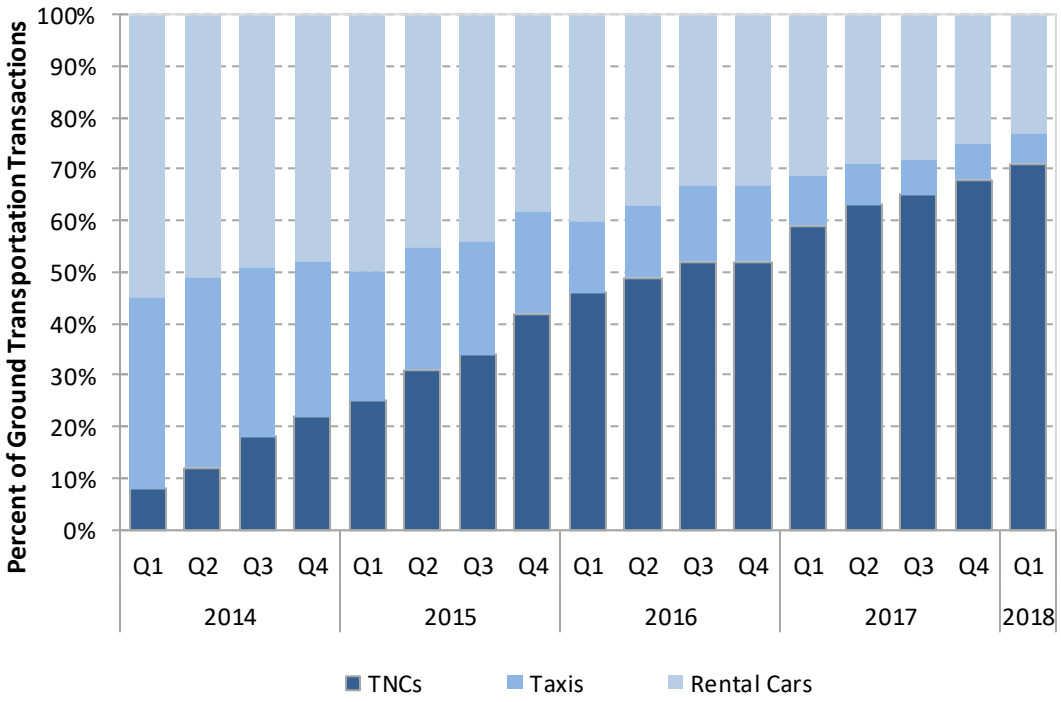
The rental car industry generally supports consolidated facilities since they often enhance the efficiency and cost effectiveness of their operations. Consolidated facilities are now common at large and medium U.S. airports. The convenience of airport rental car facilities impact rental car demand. For example, close and conveniently located rental car facilities are preferred by the rental car industry and passengers since they may increase a passengers' propensity to rent a car. In contrast, remote or inconveniently located rental car facilities may decrease a passengers' propensity to rent a car.

Alternative Ground Transportation Options

Recent quantitative and qualitative evidence from across the country indicates that the entrance of Transportation Network Companies (TNCs) has adversely affected four airport industry segments: taxis, shared-ride van operators, rental car companies, and parking operators. National trends also show that TNCs accounted for an increasing share of business traveler ground transportation transactions, increasing from less than 10% in the first quarter of 2014 to more than 70% in the first quarter of 2018, according to nationwide sample data provided by Certify Inc. (see Figure 20).* While the Certify data only illustrates transactions rather than total dollars spent, and is not airport-specific, it does indicate a national trend towards TNCs and away from traditional modes of ground transportation for business travelers. Some markets have started to mature in terms of TNC use, while others continue to see an increase in market share for TNCs, with reductions to other forms of ground transportation.

* Certify Inc. is a cloud-based travel and expense software company. Certify Inc. data is based on actual expense data from the submitted expense reports of business travelers and excludes leisure travelers. Additionally, Certify Inc. does not publish data on airport parking expense data.

Figure 20
National Trends in Business Ground Transportation Transactions
(calendar years)



Note: Certify Inc. is a cloud-based travel and expense software company. Certify Inc. data is based on actual expense data from the submitted expense reports of business travelers and excludes leisure travelers. Additionally, Certify Inc. does not publish data on airport parking expense data.

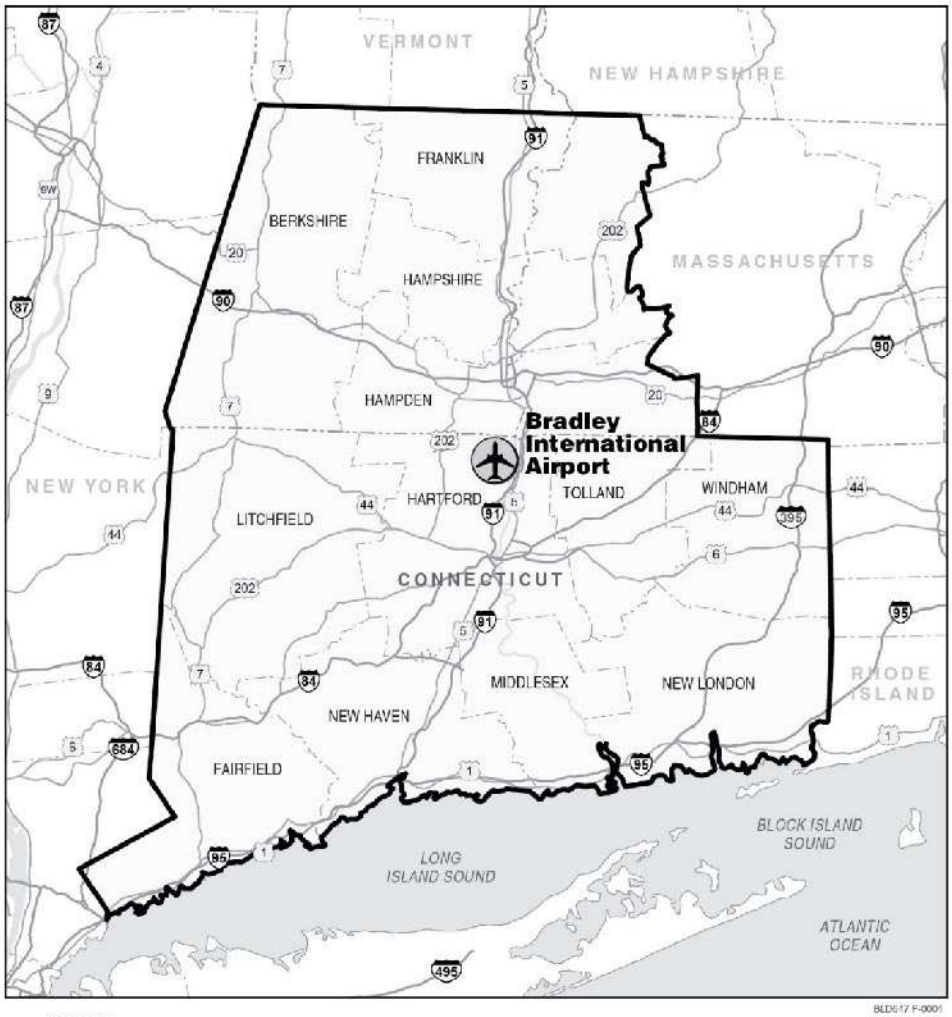
Sources: Certify Inc., Ride-Hailing Continues to Rise, 2016, and press releases, www.certify.com.

FACTORS AFFECTING RENTAL CAR DEMAND AT THE AIRPORT

Distance of the Airport to Key Destinations in the Airport Service Region

As previously mentioned, the Airport is located primarily in the Town of Windsor Locks, Connecticut, within 15 miles of both Hartford, to the South, and Springfield, Massachusetts, to the North. It provides service for 12 counties in Connecticut and the western half of Massachusetts. Travel from BDL to the corners of the Region could take over an hour (see Figure 21). A visiting passengers' propensity to rent a car, as compared to transportation alternatives (e.g., TNCs or public transportation), is impacted by the distance to and from BDL and a traveler's ultimate destination(s), affordability, and convenience.

Figure 21
Airport Service Region Drive Time



Location and Convenience of the CONRAC

Once the CONRAC is complete, rental car customers will be able to walk directly from the passenger terminal to a covered garage. Currently, customers are required to take a shuttle bus to remote rental lots. The CONRAC will reduce the overall transit time from deplaning an aircraft to departing the Airport in a rental car. Customers loading and unloading their vehicles will also be protected from the elements, whereas existing facilities are mostly uncovered.

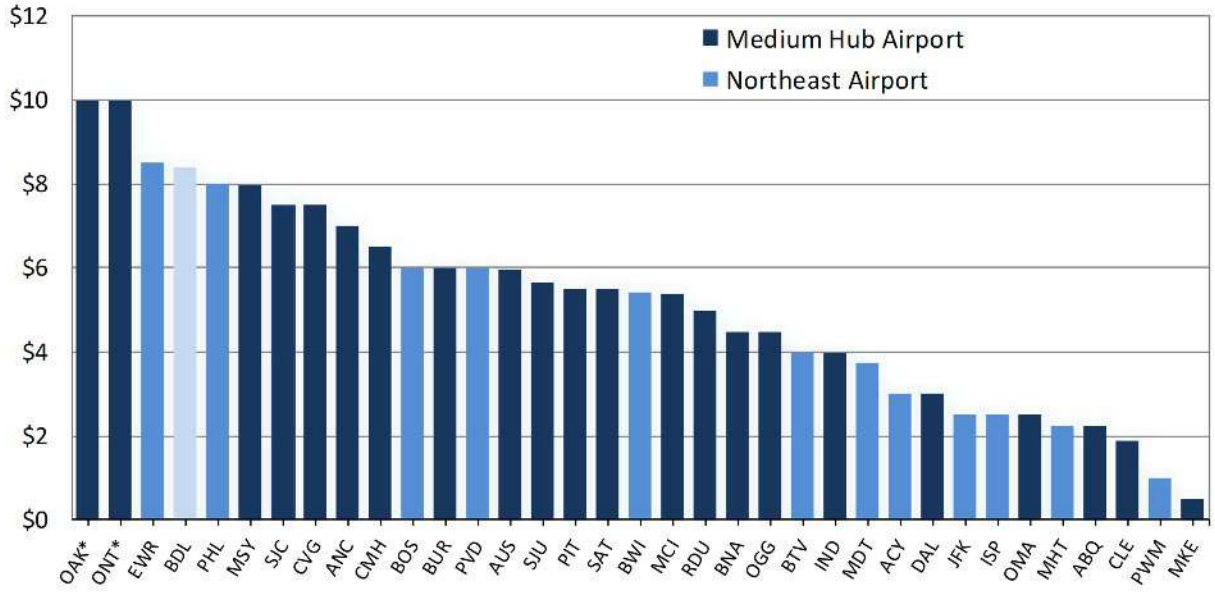
Current and Planned CFC Rates

CFC rates are a component of overall fees and pricing per rental and are often compared to other U.S. airports. For example, to the extent that an airport has a low CFC rate, they may have capacity for moderate increases without scrutiny from rental car agencies, rental car customers, travel advocacy groups, or local stakeholders. The ability to adjust the CFC rate higher may provide flexibility for airport operators in circumstances where CFC related facility costs increase or if demand decreases. In contrast, an airport that has a high CFC rate may not have as much flexibility in similar circumstances.

Figure 22 shows the CFC rate for selected medium hub airports and airports located in the northeastern region of the U.S. BDL's rate of $8.40 per transaction-day is at the upper range of the two sample sets, however, it is important to note that the CFC rate is one component of the total costs of rental, as described below.

Some airports use the terms "Facility Charge", "Customer Facility Fee", "Transportation Fee", or "Airport Construction Fee", among others, to describe fees imposed on rental car users to pay for airport capital projects or related operating costs. For CFC level comparison purposes, all such fees are considered CFCs in Figures 22-24.

Figure 22
CFC Rate for Selected Northeast U.S. Airports and Medium Hub Airports
One Day Rental

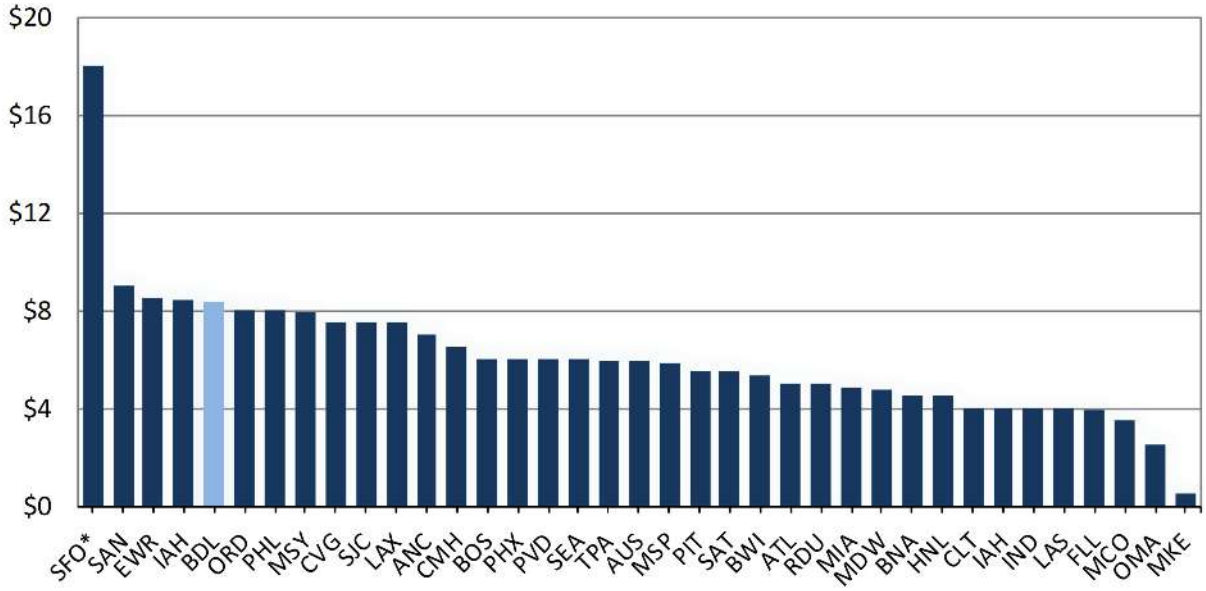


Notes: *Denotes CFC rate is charged on a per transaction basis, not per transaction-day.

Source: Avis.com, for a rental on February 11-12, 2019 as accessed January 3, 2019, analyzed by LeighFisher.

Figure 23 shows the CFC rate for airports that currently have, or are planning to develop, a multi-level CONRAC facility similar to what is planned at BDL (i.e., this figure excludes airports that have Ready/Return and QTA facilities constructed at grade). BDL's rate of $8.40 per transaction-day is at the upper range of the sample, however, it is important to note that the CFC rate is one component of the total costs of rental, as described below.

Figure 23
CFC Rate for Selected U.S. Airports with or Planning CONRAC Facilities
One Day Rental



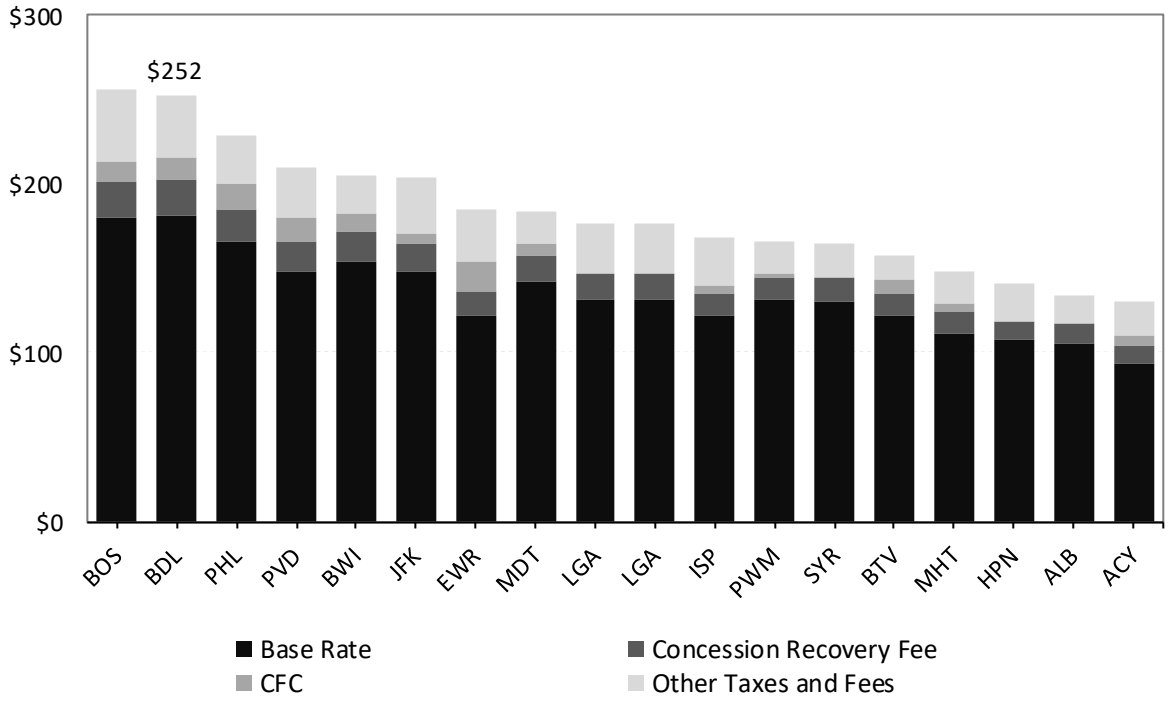
Notes: *Denotes CFC rate is charged on a per transaction basis, not per transaction-day.

Source: Avis.com, for a rental on February 11-12, 2019 as accessed January 3, 2019, analyzed by LeighFisher.

The CFC rate is one component of the total costs of rental. Figure 24 presents the total cost for rental car customer on a two-day rental at selected Northeast airports. The total cost is split into components including base rental rates, concession recovery fees, CFCs, and all other fees and taxes. BDL charges a CFC rate of $8.40 per transaction-day, which could translate to $16.80 on a 2-day rental for example, but that is a relatively small component when compared to the average total costs a rental car customer at BDL pays ($252).

Among the airports shown in Figure 24, CFCs, other fees, and taxes make up between 21% and 34% of total rental costs. Based on the $8.40 CFC rate per transaction-day, BDL's ratio of CFCs, other fees, and taxes are 27.8% of total rental costs.

Figure 24
Two-Day Rental Costs and Total Taxes and Fees at Select North-East Airports



Source: Avis.com, for a rental on February 11-13, 2019 as accessed January 3, 2019, analyzed by LeighFisher.

Ground Transportation Alternatives

There are a number of ground transportation alternatives for passengers at the Airport. Table 15 summarizes historical ground transportation transactions recorded at the Airport. Note this data does not include pick-ups and drop-offs from personal vehicles. Also, although Uber and Lyft were operating at the Airport prior to FY 2017, these companies only started reporting transactions to the Authority in January 2017 and November 2016, respectively. The Authority believes it took several months for the monthly reporting from the TNCs to accurately reflect the total number of transactions.

Parking is the largest generator of ground transportation transactions for the Airport, accounting for 55.9% of total transactions in FY 2018. Rental car transactions accounted for 30.1%, and TNCs and taxis accounted for 10.4% and 3.6%, respectively. Since parking transactions are generated primarily from resident passengers or meet and greet traffic and not directly related to visitors with a propensity to rent vehicles, Table 15 also summarizes ground transportation transactions exclusive of parking transactions. Rental car transactions accounted for 68.3% of other ground transportation transactions, and TNCs and taxis accounted for 23.6% and 8.1%, respectively.

Taxis and Shuttle Service: Visiting passengers have the option to use shuttle service, car service, and taxis. The Airport is served by over 25 taxi companies. Although taxis are not permitted to wait at the terminal, the Airport provides a holding lot for 60 taxis located a quarter mile from the main terminal. Shuttle operators at the Airport include GO Airport Shuttle Connecticut, Knights Airport Limousine Service, and Boston Shuttle. One-way shuttle service is approximately $32 to downtown Hartford, $51

to Springfield, and $49 to New Haven. Shared shuttle services often involve multiple stops to pick up or drop off other passengers, so the length of a trip could vary depending on the number of passengers, the pick-up or drop-off point, and traffic.

Table 15
Ground Transportation Transactions and Market Share
Bradley International Airport
(Fiscal Years ended June 30; passengers and transactions in thousands)

				Percent increase (decrease)	
	2016	2017	2018	2016-2017	2017-2018
Enplaned Passengers	2,975	3,117	3,257	4.8%	4.5%
Visitor Passengers	1,164	1,240	1,301	6.5%	4.8%
Transactions					
Airport parking					
Short-term garage	340	338	332	(0.7%)	(1.9%)
Long-term garage	257	259	258	0.7	(0.2)
Economy lots	161	165	161	2.7	(2.4)
Subtotal	758	762	751	0.5%	(1.4%)
Other					
Rental cars	394	406	404	3.1%	(0.4%)
TNCs	0	45	139	n/a	210.4
Taxicabs	62	54	48	(12.5)	(10.9)
Subtotal	455	505	591	10.8%	17.2%
Total transactions	1,213	1,266	1,342	4.4%	6.0%
Share of Other					
Rental Cars	86.5%	80.4%	68.3%		
TNCs	-	8.9	23.6		
Taxicabs	13.5	10.7	8.1		
Other	100.0%	100.0%	100.0%		

Note: Columns may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

Source: Bradley International Airport records.

Bradley Flyer: The Bradley Flyer (Route 30) provides bus service from the Airport to Hartford with a one-way fare of $1.75. The Bradley Flyer provides direct service to the Connecticut Convention Center and Union Station and operates nearly hourly service between downtown Hartford and the Airport, seven days a week. The semi-express, a limited-stop trip between downtown and the Airport, takes about 30 minutes. There is no direct bus service between Springfield and the Airport.

Rail: The closest Amtrak train stations to the Airport are in Windsor Locks and Windsor. Both stations can be reached from the Airport by public bus, but it requires both a connecting stop and change of bus or use of a pick-up/drop-off location outside of the Airport boundary requiring a 20 to 25-minute walk from the terminal. Beginning June 16, 2018, a new rail service operated by CT Rail added trains between New Haven, Hartford and Springfield, with stops at both Windsor and Windsor Locks. The same bus connections are required to reach the Airport, however.

Transportation Network Companies: Transportation network companies (TNCs) began operating in Hartford in 2014 with the local launch of Uber, followed by Lyft in 2016. For many BDL travelers, TNCs provide a more convenient mode of ground transportation to passengers as compared to other modes described above. As a result, TNCs have grown in market share, both nationally and at BDL. At BDL the TNCs share similar challenges in terms of distance of travel as taxis, however the typical cost of a TNC is much lower than that of a taxi, and the level of customer acceptance in using mobile-app purchasing is increasing.

TNCs reported approximately 139,000 transactions in FY 2018 (see Table 15). Although some of these rides may be in place of passengers who relied on friends and family or business associates for transportation to/from the Airport, many are likely to have been at the expense of traditional commercial ground transportation options.

HISTORICAL ANALYSIS OF RENTAL CAR DEMAND

The forecast of visiting passengers, as previously discussed, reflects leisure and business demand for air travel to the Airport Service Region. The forecast of visiting passengers is summarized in Table 14.

From FY 2012 through FY 2014 changes in visitor passengers correlated with changes in transactions, but changes in gross revenues diverged. Gross revenues increased in FY 2013 while the number of enplaned passengers and rental car transactions both declined. The increase in revenues was driven by a higher average cost per rental. This is an indicator that the rental car companies are focusing on yield, or revenue per transaction, and are willing to lose some customers to alternate modes of transportation to maximize overall profitability.

Table 16 below summarizes the trends in key rental car metrics and visiting passengers. The sections on the subsequent pages graphically present trends for the metrics and add additional context on changes.

Table 16
Trends in Key Rental Car Metrics and Visiting Passengers
Bradley International Airport
(Fiscal Years ended June 30; in thousands except ratios and percent change)

	2012	2013	2014	2015	2016	2017	2018
Visiting Passengers	1,058	1,035	1,099	1,155	1,164	1,240	1,301
Percent change	*(2.3%)*	*(2.2%)*	*6.3%*	*5.1%*	*0.8%*	*6.5%*	*4.8%*
Rental car transactions	390	385	390	413	394	406	404
Percent change	*3.6%*	*(1.3%)*	*1.3%*	*5.8%*	*(4.7%)*	*3.1%*	*(0.4%)*
Gross Rental Car Revenues	$66,629	$75,191	$79,562	$81,136	$76,244	$78,911	$83,298
Percent change	*3.5%*	*12.8%*	*5.8%*	*2.0%*	*(6.0%)*	*3.5%*	*5.6%*
Revenue per Transaction	$170.75	$195.30	$203.93	$196.56	$193.73	$194.55	$206.23
Percent change	*(0.1%)*	*14.4%*	*4.4%*	*(3.6%)*	*(1.4%)*	*0.4%*	*6.0%*
Propensity to Rent	36.9%	37.2%	35.5%	35.7%	33.8%	32.7%	31.1%
Average Length of Rental (days)	4.12	3.97	3.80	3.79	3.96	3.80	3.83
Percent change	*3.6%*	*(3.5%)*	*(4.2%)*	*(0.4%)*	*4.5%*	*(4.1%)*	*0.9%*
Transaction-Days	1,583	1,532	1,473	1,565	1,557	1,540	1,547
Percent change	*9.4%*	*(3.2%)*	*(3.8%)*	*6.2%*	*(0.5%)*	*(1.1%)*	*0.5%*
CFC Revenues	$5,541	$5,365	$5,165	$5,478	$8,837	$9,978	$10,753
Percent change	*9.4%*	*(3.2%)*	*(3.7%)*	*6.1%*	*61.3%*	*12.9%*	*7.8%*

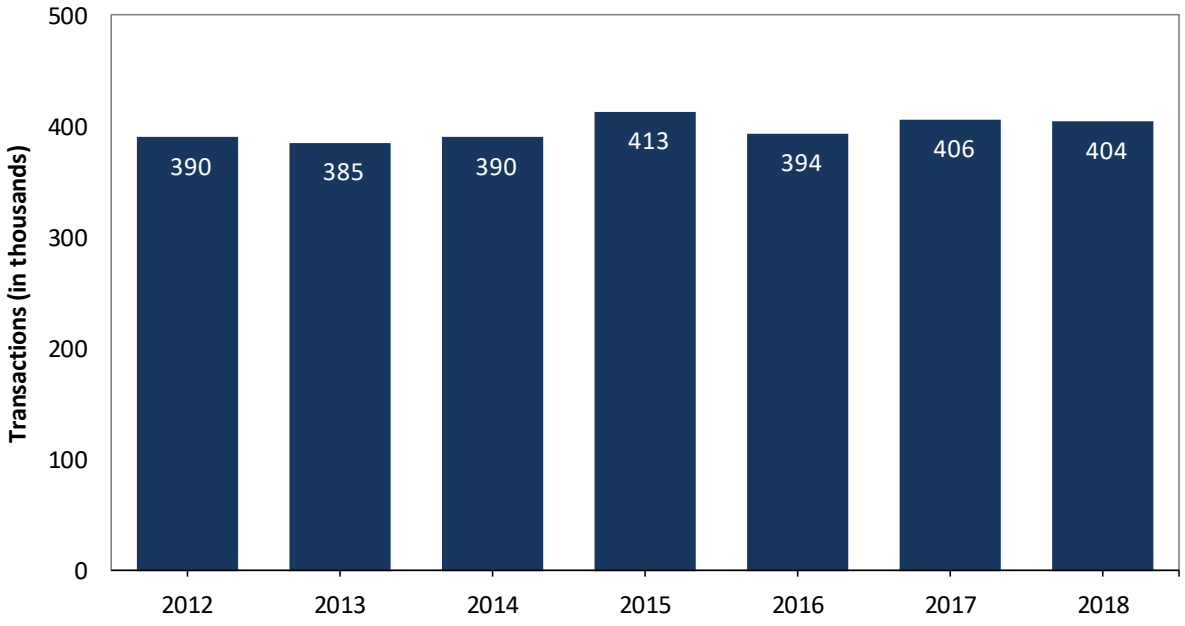
Source: Bradley International Airport records, analyzed by LeighFisher.

Rental Car Transactions

Figure 25 shows the trend in Airport rental car transactions since FY 2012. Transactions increased 3.5% between FY 2012 and FY 2018. Between FY 2015 and FY 2016, rental car transactions decreased from 413,000 to 394,000. The decrease in rental car transactions during FY 2016 may, in part, be attributable to the CFC rate increase from $3.50 to $6.00 imposed on August 1, 2015. Although visitor passenger numbers were higher than the prior year, rental car transactions decreased 4.7%. There were 404,000 transactions in FY 2018, a 0.4% decrease from FY 2017. The growing presence of TNCs such as Uber and Lyft at the Airport may have also contributed to the decrease in transactions as described earlier.

There was no noticeable decrease in transactions after the CFC rate was increased to $6.95 in December 2016.

Figure 25
Rental Car Transactions
Bradley International Airport
(Fiscal Years ended June 30)



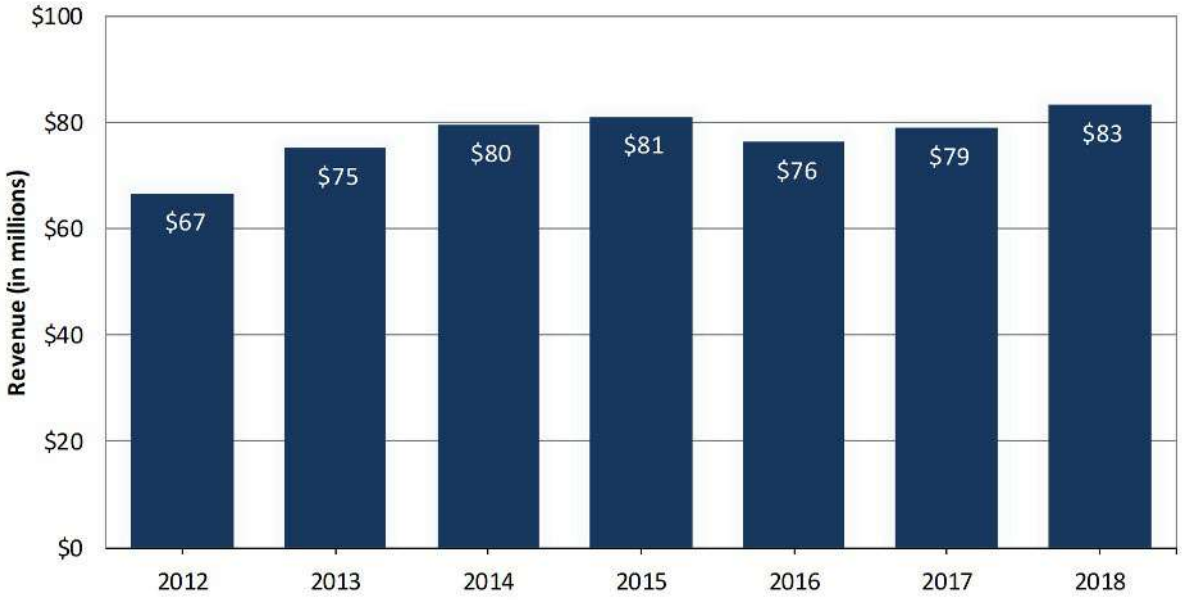
Source: Bradley International Airport records.

Gross Rental Car Revenues

Figure 26 presents the trend in Airport rental car gross revenues since FY 2012. Gross revenues in FY 2018 were $83 million, a 25.0% increase over FY 2012, or an average annual growth rate of 3.8%.

Gross rental car revenues in FY 2018 increased 5.6% over FY 2017 revenues, however there was a decrease of 0.4% in the number of rental car transactions over the same period. This indicates that (1) the average cost of a rental has increased, (2) cars are being rented for a longer period, or (3) some combination thereof.

Figure 26
Gross Rental Car Revenues
Bradley International Airport
(Fiscal Years ended June 30)



Note: Gross rental car revenues exclude taxes and fees, CFCs, and airport concession fees.

Source: Bradley International Airport records.

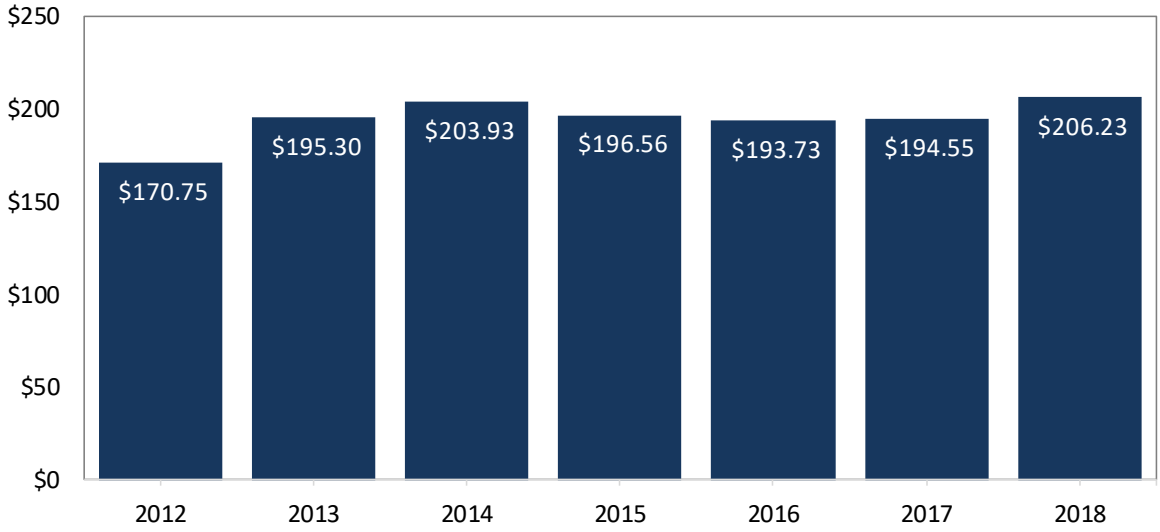
Average Revenue per Transaction

In late 2015, rental car companies began to lower prices because of an oversupply of vehicles. The rental car industry overestimated future levels of rental car activity purchasing 1.5 million vehicles in 2015; the highest since 2007. Excess vehicle inventory levels exerted downward pressures on car rental rates. The rental car industry gradually managed to right-size their fleet and pricing practices in mid- to late 2016, resulting in higher prices.

At a local level, in FY 2015 the owners of the National and Alamo brands began pricing their rentals very competitively, presumably to increase market share. While overall transactions at the Airport increased 6% from the prior year, these two brands increased by more than 35%.

As shown in Figure 27, revenue per transaction increased in FY 2013 and FY 2014, but decreased in FY 2015, driven in part, by the factors mentioned above. Despite falling revenue per transaction in FY 2015, there was a 5.8% increase in transactions and an 6.2% increase in transaction-days, resulting in a 2.0% overall increase in gross revenues. Revenue per transaction was essentially flat from FY 2015 to FY 2017 but increased to $206.23 in FY 2018.

Figure 27
Revenue per Transaction
Bradley International Airport
(Fiscal Years ended June 30)



Source: Bradley International Airport records.

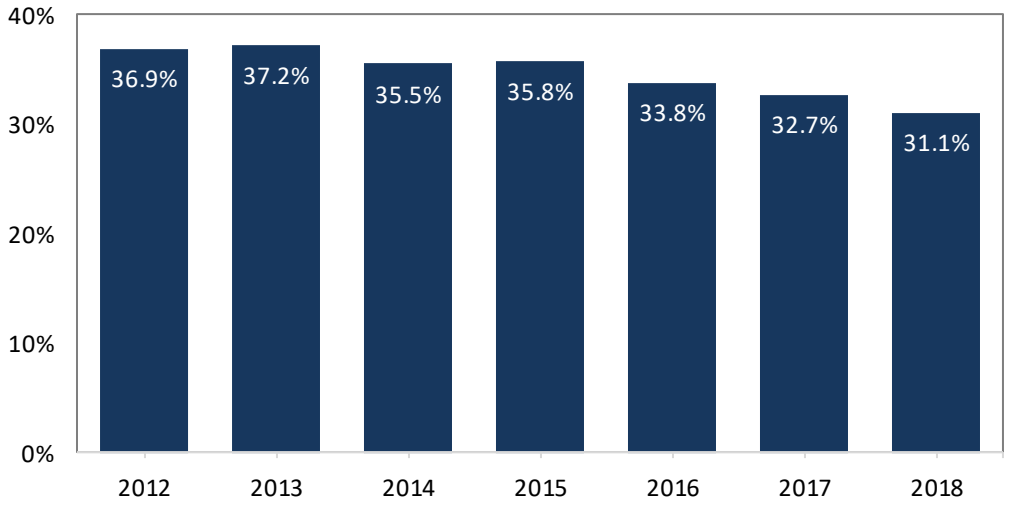
Rental Car Transactions per Visiting Passenger (Propensity to Rent)

As shown in Figure 28, from FY 2012 to FY 2018, the ratio of rental car transactions per visiting passenger (the propensity to rent), ranged between 31.1% and 37.2%, with an average of 34.7%. The ratio has declined each year since FY 2015.

Figure 29 presents the quarterly propensity to rent for the last four fiscal years through June 2018, which includes the recent growth of TNCs at BDL.

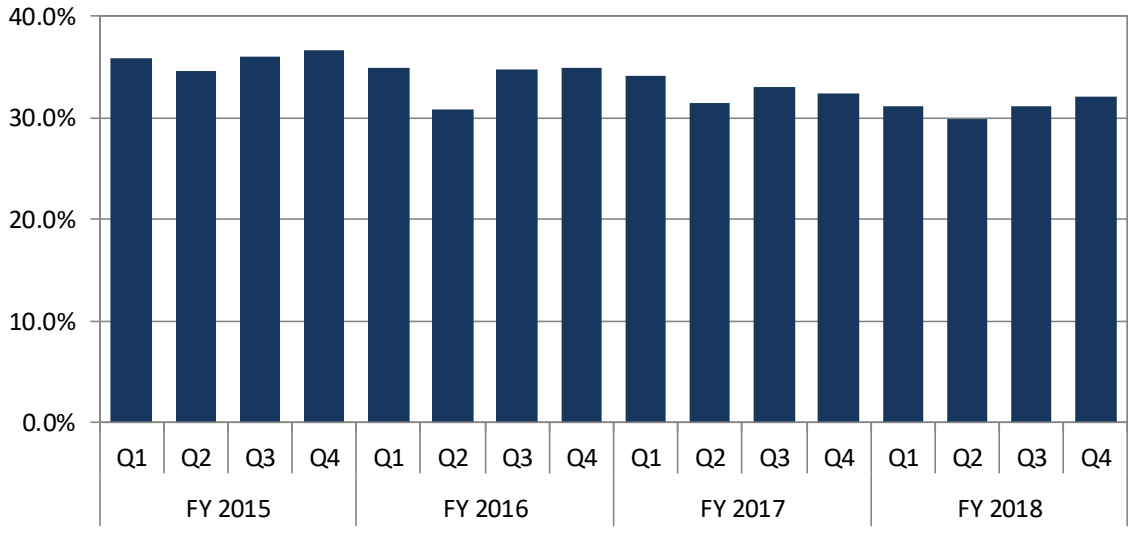
This shows the rolling average of the propensity to rent decreasing from 35.8% in the first quarter of FY 2015 (July-September) to 32.0% in the last quarter of FY 2018 (April-June). While other factors – such as rental car pricing may also be a factor, this indicates that TNCs may still be causing changes in the BDL market.

Figure 28
Propensity to Rent
Bradley International Airport
(Fiscal Years ended June 30)



Source: Bradley International Airport records.

Figure 29
Propensity to Rent – FY 2015 Q1 to FY 2018 Q4 by Quarter
Bradley International Airport
(Fiscal Years ended June 30)



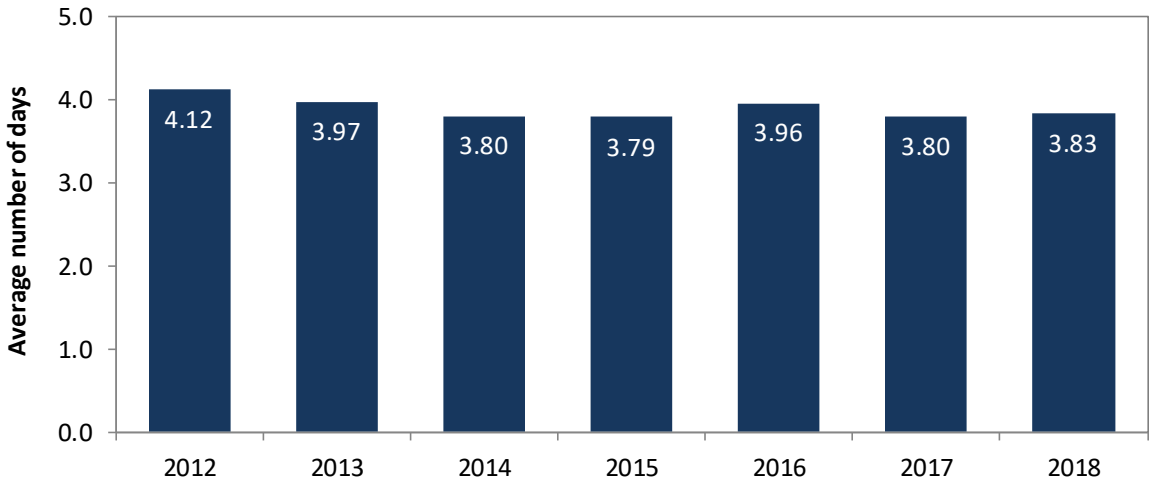
Source: Bradley International Airport records.

Average Length of Rental

The average length of rental, or duration, or transaction-day refers to a 24-hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term. If the same rental car is rented to more than one customer within a continuous 24-hour period, then each rental is calculated as a transaction-day and is subject to collection of the per transaction-day CFC. The average transaction-day at BDL has been relatively consistent since FY 2012 and was 3.83 days in FY 2018. The national average length of rental car transaction is slightly over three days.

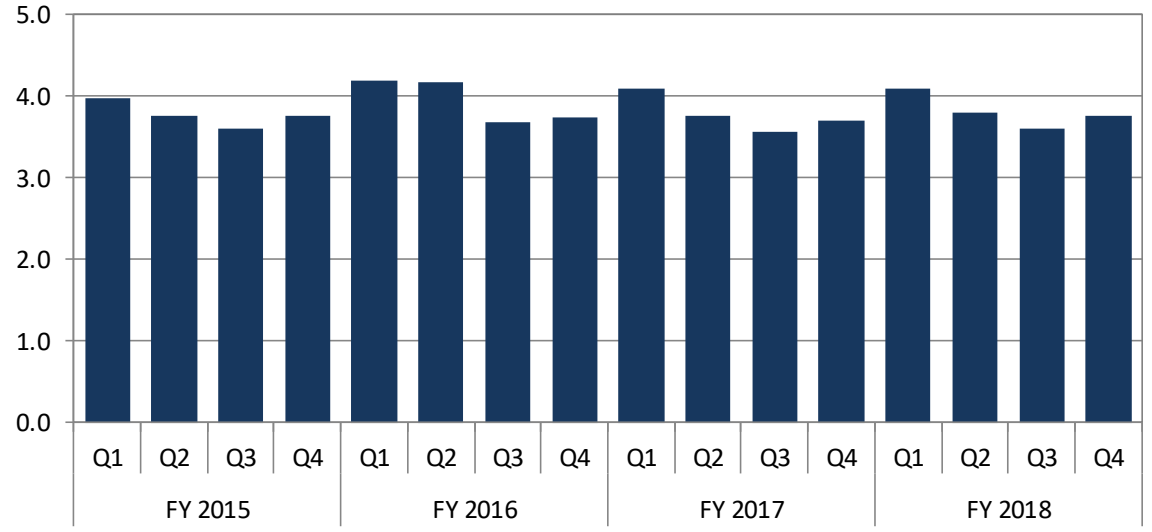
The decline in duration from a peak of 4.12 days in FY 2012 could be due to the higher average cost of renting a car (indicated by the increase in the average gross revenue per transaction during FY 2013 and FY 2014 as shown in Figure 30). The average length of rental peaks in the summer months (4.2 days) and the quieter winter months average less than 3.6 days (see Figure 31).

Figure 30
Average Length of Rental
Bradley International Airport
(Fiscal Years ended June 30)



Source: Bradley International Airport records.

Figure 31
Average Length of Rental – FY 2015 Q1 to FY 2018 Q4 by Quarter
Bradley International Airport
(Fiscal Years ended June 30)



Source: Bradley International Airport records.

FORECAST OF RENTAL CAR DEMAND

Forecast of Propensity to Rent and Transactions

The number of visiting passengers increased by approximately 60,000 in FY 2018 over FY 2017 (an increase of 4.8%), yet the number of rental car transactions decreased by approximately 1,700 (0.4%).

The propensity to rent in FY 2018 was 31.1%, a decrease from 32.7% in FY 2017. This decrease is consistent with recent historical decreases which were due to a number of factors described earlier which impacted BDL and many other airports, most notably including increases in rental car pricing and the introduction of TNCs. As shown in Figure 32, the propensity to rent is forecast to decline 0.2 percentage points per year from FY 2019 through FY 2022 on the assumption that recent historical trends will continue, albeit at a lesser rate. The opening of the new CONRAC in FY 2023 will increase convenience for rental car customers since the location will be directly across from the terminal. This added convenience, all other things equal, is expected to have a positive influence on the propensity to rent, which is forecast to remain at 30.3% for the remainder of the forecast period. The Authority increased the CFC rate per transaction-day from $6.95 to $8.40 effective February 1, 2019 (March 1, 2019 was assumed for cash flow modeling). The forecast assumes that no significant decrease in propensity to rent or transactions will occur because of the increase in the CFC rate.

Figure 32 also presents the forecast of rental car transactions. Despite an expected reduction in the propensity to rent of visiting passenger through FY 2022, the number of rental car transactions is forecast to increase given the forecasted increase in visiting passengers. Rental car transactions are forecast to increase 1.1% per year, on average between FY 2019 and FY 2025.

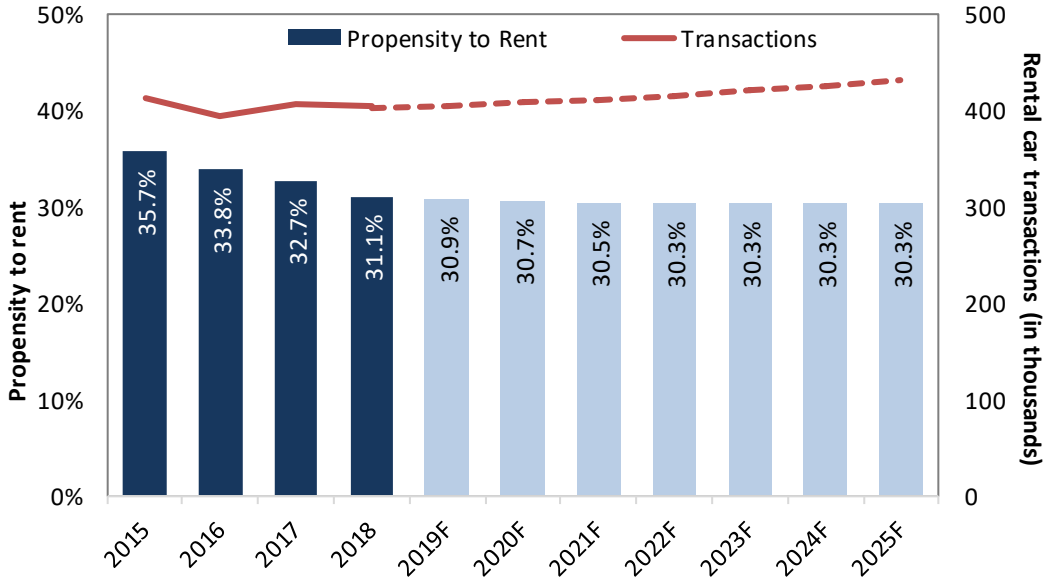
Forecast of CFC Transaction-days and CFC Revenues

Figure 33 presents the forecast of CFC Revenues and rental car transaction-days. Rental car transaction-days are forecast to remain at 3.82 for the forecast period. Any variance in transaction-days caused by the change in the CFC level or other market factors are not reflected in the forecast.

As previously mentioned, the primary correlations of consequence to forecasting CFC Revenues are: (1) visitor passengers, (2) propensity to rent, (3) days per transaction, and (4) the CFC rate per transaction-day. Despite the continued downward pressure on the propensity to rent through FY 2022, CFC Revenues are forecast in increase 3.2% per year, on average, between FY 2019 and FY 2025. The forecasted growth is due to a 1.4% average annual increase in visiting passengers and an 1.1% average annual increase in transactions. It is assumed that the CFC rate will remain unchanged from $8.40 throughout the forecast period.

Figure 32
Forecast of Propensity to Rent and Rental Car Transactions
Bradley International Airport
(Fiscal Years ended June 30)

This forecast was prepared on the basis of the information and assumptions given in the text. Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results may vary from the forecast, and the variance could be material.



Sources: Actual—Bradley International Airport records.
Forecast—LeighFisher, December 2018.

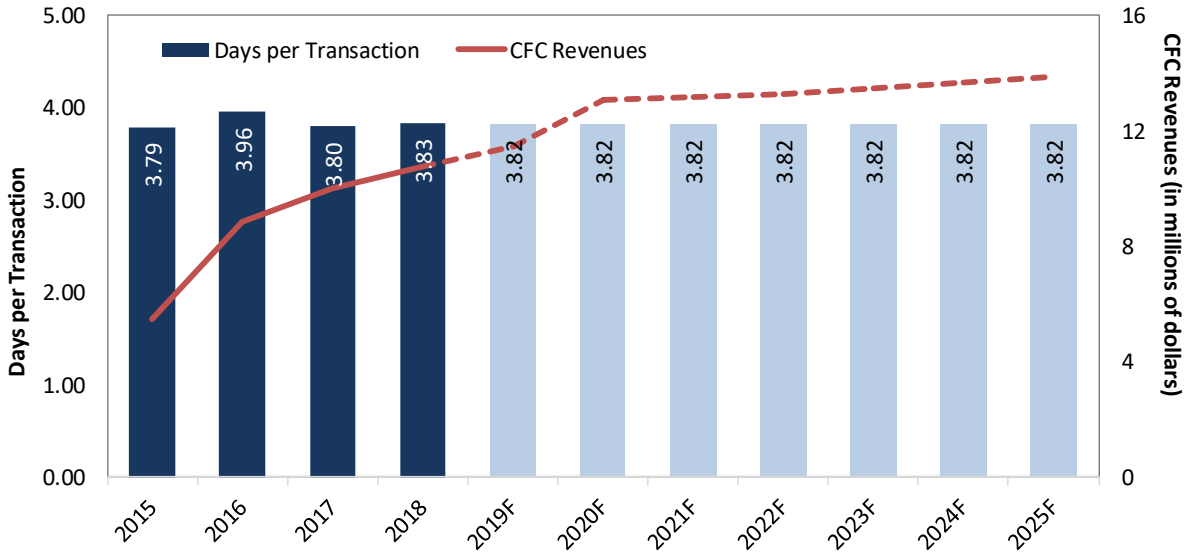
Figure 33

Forecast of CFC Revenues and Days per Rental Car Transaction

Bradley International Airport

(Fiscal Years ended June 30)

This forecast was prepared on the basis of the information and assumptions given in the text. Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results may vary from the forecast, and the variance could be material.



The CFC rate was amended from $3.50 to $6.00 on August 1 2015 and to $6.95 on December 1 2016. CFC rates are assumed to increase to $8.40 as of February 1, 2019.

Sources: Actual—Bradley International Airport records.
Forecast—LeighFisher, December 2018.

RENTAL CAR FINANCIAL ANALYSIS

PLAN OF FINANCE

The Authority intends to issue the Series 2019 CFC Bonds, in the par amount of $158,790,000.* Exhibit 1 summarizes the plan of finance. Proceeds from the Series 2019 CFC Bonds are expected to be used for the following purposes:

- Financing a portion of the costs of the development and construction of a Ground Transportation Center and related improvements at the Airport,
- Funding a debt service reserve fund and coverage fund for the Series 2019 CFC Bonds,
- Paying capitalized interest on the Series 2019 CFC Bonds, and
- Paying the costs of issuance of the Series 2019 CFC Bonds.

In addition to the Series 2019 CFC Bonds, the Authority intends to utilize $67,000,000 of CFCs on a pay-as-you-go basis to fund the Project.

FORECAST DEBT SERVICE COVERAGE

Exhibit 2 summarizes the forecasts of CFC Revenues, Aggregate Annual Debt Service, and debt service coverage, taking into consideration debt service on the proposed Series 2019 CFC Bonds and the forecast assumptions described in this Report.

The calculation of debt service coverage indicates compliance with the Rate Covenant of the CFC Trust Indenture in each year of the Forecast Period.

STRESS TEST FINANCIAL PROJECTIONS

Exhibit 3 summarizes the stress test forecasts of CFC Revenues, Aggregate Annual Debt Service, and debt service coverage, taking into consideration debt service on the proposed Series 2019 CFC Bonds. The stress test visitor passenger forecasts are as presented earlier. (See the chapter “Aviation Demand” and caption “Stress Test Forecast of Visiting Passengers”). Relative to the base forecast, visiting passenger numbers are forecast to be 20% lower in FY 2020.

In addition to the reduction in visiting passengers, the stress scenario assumes a 2-percentage point reduction in the propensity to rent in FY 2020 as compared to FY 2018 actual.

If such a scenario were to occur, the Authority could evaluate changes to the CFC rate, or trigger Contingent Payments (neither of which are assumed for the purposes of this stress scenario). Under the stress test scenario, the calculation of debt service coverage indicates compliance with the Rate Covenant of the CFC Trust Indenture in each year of the Forecast Period.

*Preliminary and subject to change.

Exhibit 1
SOURCES AND USES OF FUNDS
Bradley International Airport
(in thousands)

	Series 2019A CFC Bonds (AMT)	Series 2019B CFC Bonds (Taxable)	Total
Sources			
Par	$ 33,685	$ 125,105	$ 158,790
Premium	1,284	-	1,284
CFC Paygo	-	67,000	67,000
Total Sources	$ 34,969	$ 192,105	$ 227,074
Uses			
Paygo Deposits Taxable	$ -	$ 67,000	$ 67,000
Bond Proceeds Deposits	29,042	96,954	125,997
Bond Proceeds Deposits Remainder	-	5,968	5,968
Project Fund Deposit	$ 29,042	$ 169,923	$ 198,965
Capitalized Interest	2,068	8,076	10,144
Debt Service Reserve Fund	3,419	9,646	13,065
Debt Service Coverage Fund	-	2,833	2,833
Costs of Issuance and Underwriters Spread	438	1,626	2,064
Rounding	1	2	3
Total Uses	$ 34,969	$ 192,105	$ 227,074

Source: Frasca & Associates, LLC, February 22 2019, and CAA.

Exhibit 2

FORECAST OF CFC REVENUES AND RATE COVENANT COMPLIANCE

Bradley International Airport

(Fiscal Years ended June 30; in thousands)

The forecast presented in this exhibit was prepared using the information and assumptions described in the accompanying text. Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

		Historical				Forecast						
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Originating Visitor Passengers	(A)	1,155	1,164	1,240	1,301	1,310	1,330	1,349	1,369	1,388	1,408	1,427
Propensity to Rent (1)	(B)	*35.7%*	*33.8%*	*32.7%*	*31.1%*	*30.9%*	*30.7%*	*30.5%*	*30.3%*	*30.3%*	*30.3%*	*30.3%*
Transactions	(C) = (A) x (B)	413	394	406	404	404	408	411	414	420	426	432
Days per Transaction (average) (1)	(D)	*3.79*	*3.96*	*3.80*	*3.83*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*
Transaction-Days	(E) = (C) x (D)	1,565	1,557	1,540	1,547	1,544	1,557	1,569	1,582	1,604	1,627	1,649
CFC Rate (1) (2)	(F)	$ 3.50	$ 5.67	$ 6.48	$ 6.95	$ 7.43	$ 8.40	$ 8.40	$ 8.40	$ 8.40	$ 8.40	$ 8.40
CFC Revenues (3)	(G) = (E) x (F)	$ 5,478	$ 8,837	$ 9,978	$ 10,753	$ 11,480	$ 13,078	$ 13,184	$ 13,286	$ 13,476	$ 13,665	$ 13,854
Aggregate Annual Debt Service												
Series 2019A CFC Bonds						$ -	$ -	$ 1,684	$ 1,684	$ 1,684	$ 1,684	$ 1,684
Series 2019B CFC Bonds						-	-	6,578	6,578	7,753	9,645	9,642
Total Aggregate Annual Debt Service	(H)					$ -	$ -	$ 8,262	$ 8,262	$ 9,437	$ 11,330	$ 11,326
Compliance with Rate Covenant - Section 6.07 (b)												
1. CFC Revenues	= (G)					$ 11,480	$ 13,078	$ 13,184	$ 13,286	$ 13,476	$ 13,665	$ 13,854
2. Transfers from CFC Coverage Fund						-	-	-	-	-	-	-
3. Earnings on investments						79	318	318	318	318	318	318
4a. Contingent Payments						-	-	-	-	-	-	-
4b. Facility Payments						-	-	-	-	2,750	3,300	3,300
Total Funds Available for the Minimum Annual Requirement	(J)					$ 11,560	$ 13,396	$ 13,502	$ 13,604	$ 16,544	$ 17,283	$ 17,472
Funding Requirements specified in 5.04(b)												
1. Debt Service Fund	= (H)					$ -	$ -	$ 8,262	$ 8,262	$ 9,437	$ 11,330	$ 11,326
2. Debt Service Reserve Fund						-	-	-	-	-	-	-
3. Coverage Fund						-	-	-	-	-	-	-
4. Rebate Fund						-	-	-	-	-	-	-
5. Administrative Costs Funds						50	50	50	50	50	50	50
6. Renewal and Replacement Fund						-	-	-	-	-	-	-
7. CFC Project Account						-	-	-	-	-	-	-
Minimum Annual Requirement	(K)					$ 50	$ 50	$ 8,312	$ 8,312	$ 9,487	$ 11,380	$ 11,376
Total Funds Available Less Minimum Annual Requirement (Must be > = Zero)	= (J) - (K)					$ 11,510	$ 13,346	$ 5,190	$ 5,292	$ 7,057	$ 5,903	$ 6,096
Compliance with Rate Covenant - Section 6.07 (c)												
1. CFC Revenues	= (G)					$ 11,480	$ 13,078	$ 13,184	$ 13,286	$ 13,476	$ 13,665	$ 13,854
2. Transfers from CFC Stabilization Fund						-	-	-	-	-	-	-
3. Earnings on investments						79	318	318	318	318	318	318
4a. Contingent Payments						-	-	-	-	-	-	-
4b. Facility Payments						-	-	-	-	2,750	3,300	3,300
5. Amount on Deposit in Coverage Fund						2,833	2,833	2,833	2,833	2,833	2,833	2,833
Total Funds Available for Bonds Coverage Requirement	(L)					$ 14,392	$ 16,229	$ 16,334	$ 16,437	$ 19,376	$ 20,116	$ 20,305
Bonds Coverage Requirement	(M) = (H) x 1.25					$ -	$ -	$ 10,327	$ 10,327	$ 11,796	$ 14,162	$ 14,158
Debt Service coverage ratio												
Including Coverage Fund (Must be > 1.25x)	= (L) / (H)							1.98x	1.99x	2.05x	1.78x	1.79x
Excluding Coverage Fund								1.63x	1.65x	1.75x	1.53x	1.54x

Sources: Historical - CAA; Forecast - LeighFisher

Notes: (1) Historical values imputed; Forecast based on assumptions described in text.

(2) The CFC rate was amended from $3.50 to $6.00 on August 1, 2015 and to $6.95 on December 1, 2016. The rate increased to $8.40 effective February 1, 2019, with cash flows increased effective March 1, 2019.

(3) Includes adjustments for timing differences for year-end accrual estimates, plus any adjustments as a result of audits of CFC remittances that occur after publication of CAA Financial Statements.

Exhibit 3

FORECAST OF CFC REVENUES AND RATE COVENANT COMPLIANCE: STRESS TEST SCENARIO

Bradley International Airport

(Fiscal Years ended June 30; in thousands)

This scenario was based upon hypothetical assumptions, as described in the text.

		Historical				Forecast						
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Originating Visitor Passengers	(A)	1,155	1,164	1,240	1,301	1,310	1,064	1,079	1,095	1,110	1,126	1,142
Propensity to Rent (1)	(B)	*35.7%*	*33.8%*	*32.7%*	*31.1%*	*30.9%*	*29.1%*	*29.1%*	*29.1%*	*29.1%*	*29.1%*	*29.1%*
Transactions	(C) = (A) x (B)	413	394	406	404	404	309	314	318	323	327	332
Days per Transaction (average) (1)	(D)	*3.79*	*3.96*	*3.80*	*3.83*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*	*3.82*
Transaction-Days	(E) = (C) x (D)	1,565	1,557	1,540	1,547	1,544	1,181	1,198	1,215	1,233	1,250	1,267
CFC Rate (1) (2)	(F)	$ 3.50	$ 5.67	$ 6.48	$ 6.95	$ 7.43	$ 8.40	$ 8.40	$ 8.40	$ 8.40	$ 8.40	$ 8.40
CFC Revenues (3)	(G) = (E) x (F)	$ 5,478	$ 8,837	$ 9,978	$ 10,753	$ 11,480	$ 9,917	$ 10,062	$ 10,208	$ 10,353	$ 10,498	$ 10,644
Aggregate Annual Debt Service												
Series 2019A CFC Bonds						$ -	$ -	$ 1,684	$ 1,684	$ 1,684	$ 1,684	$ 1,684
Series 2019B CFC Bonds						-	-	6,578	6,578	7,753	9,645	9,642
Total Aggregate Annual Debt Service	(H)					$ -	$ -	$ 8,262	$ 8,262	$ 9,437	$ 11,330	$ 11,326
Compliance with Rate Covenant - Section 6.07 (b)												
1. CFC Revenues	= (G)					$ 11,480	$ 9,917	$ 10,062	$ 10,208	$ 10,353	$ 10,498	$ 10,644
2. Transfers from CFC Coverage Fund						-	-	-	-	-	-	-
3. Earnings on investments						79	318	318	318	318	318	318
4a. Contingent Payments						-	-	-	-	-	-	-
4b. Facility Payments						-	-	-	-	2,750	3,300	3,300
Total Funds Available for the Minimum Annual Requirement	(J)					$ 11,560	$ 10,235	$ 10,380	$ 10,526	$ 13,421	$ 14,116	$ 14,262
Funding Requirements specified in 5.04(b)												
1. Debt Service Fund	= (H)					$ -	$ -	$ 8,262	$ 8,262	$ 9,437	$ 11,330	$ 11,326
2. Debt Service Reserve Fund						-	-	-	-	-	-	-
3. Coverage Fund						-	-	-	-	-	-	-
4. Rebate Fund						-	-	-	-	-	-	-
5. Administative Costs Funds						50	50	50	50	50	50	50
6. Renewal and Replacement Fund						-	-	-	-	-	-	-
7. CFC Project Account						-	-	-	-	-	-	-
Minimum Annual Requirement	(K)					$ 50	$ 50	$ 8,312	$ 8,312	$ 9,487	$ 11,380	$ 11,376
Total Funds Available Less Minimum Annual Requirement (Must be	= (J) - (K)					$ 11,510	$ 10,185	$ 2,068	$ 2,214	$ 3,934	$ 2,737	$ 2,885
Compliance with Rate Covenant - Section 6.07 (c)												
1. CFC Revenues	= (G)					$ 11,480	$ 9,917	$ 10,062	$ 10,208	$ 10,353	$ 10,498	$ 10,644
2. Transfers from CFC Stabilization Fund						-	-	-	-	-	-	-
3. Earnings on investments						79	318	318	318	318	318	318
4a. Contingent Payments						-	-	-	-	-	-	-
4b. Facility Payments						-	-	-	-	2,750	3,300	3,300
5. Amount on Deposit in Coverage Fund						2,833	2,833	2,833	2,833	2,833	2,833	2,833
Total Funds Available for Bonds Coverage Requirement	(L)					$ 14,392	$ 13,067	$ 13,213	$ 13,358	$ 16,254	$ 16,949	$ 17,094
Bonds Coverage Requirement	(M) = (H) x 1.25					$ -	$ -	$ 10,327	$ 10,327	$ 11,796	$ 14,162	$ 14,158
Debt Service coverage ratio												
Including Coverage Fund (Must be > 1.25x)	= (L) / (H)							1.60x	1.62x	1.72x	1.50x	1.51x
Excluding Coverage Fund								1.26x	1.27x	1.42x	1.25x	1.26x

Sources: Historical - CAA; Forecast - LeighFisher

Notes: (1) Historical values imputed; Forecast based on assumptions described in text.

(2) The CFC rate was amended from $3.50 to $6.00 on August 1, 2015 and to $6.95 on December 1, 2016. The rate increased to $8.40 effective February 1, 2019, with cash flows increased effective March 1, 2019.

(3) Includes adjustments for timing differences for year-end accrual estimates, plus any adjustments as a result of audits of CFC remittances that occur after publication of CAA Financial Statements.

APPENDIX B

FORM OF TRUST INDENTURE

The Authority expects to enter into the Trust Indenture substantially in the form included in this Appendix B. The form of Trust Indenture remains subject to modification prior to execution, including to incorporate the final terms of the Series 2019 Bonds.

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TRUST INDENTURE

by and between

CONNECTICUT AIRPORT AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of April 1, 2019

Relating to

$151,100,000
Connecticut Airport Authority
Customer Facility Charge Revenue Bonds
(Ground Transportation Center Project)

$35,410,000	$115,690,000
Series 2019 A	Series 2019 B
(AMT)	(Federally Taxable)

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TRUST INDENTURE

THIS TRUST INDENTURE (this "Indenture"), dated as of April 1, 2019, is entered into by and between the **CONNECTICUT AIRPORT AUTHORITY** (the "Authority"), a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

RECITALS

WHEREAS, the Authority is a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut and was created under Sections 15-120aa through 15-120ss inclusive of the General Statutes of Connecticut, Revision of 1958, as may be amended from time to time (the "Act") and the Authority is authorized under the Act, among other things to issue bonds, bond anticipation notes and other obligations of the Authority and provide for the rights of the holders thereof and to secure the same by a pledge of revenues to carry out the purposes of the Act; and

WHEREAS, the State of Connecticut (the "State") issued its Bradley International Airport General Airport Revenue Refunding Bonds, Series 2011 (the "General Bonds") which were secured by all revenues derived from the operation of the Airport (as hereinafter defined); and

WHEREAS, the Authority has assumed all the rights and obligations of the State under the General Bonds documents; and

WHEREAS, the Authority is permitted to issue bonds secured by certain of the Authority's revenues as long as certain conditions are met under the General Bonds documents; and

WHEREAS, the Authority has met such conditions and has determined to issue its customer facility charge revenue bonds (the "Series 2019 Bonds") to partially finance a new multi-level joint use ground transportation center at Bradley International Airport of which the largest component will be a consolidated rental car facility and to secure such bonds by revenues to be derived from the imposition of Customer Facility Charges ("CFC Revenue") and Contingent Payments (as hereinafter defined) and Facility Payments (as hereinafter defined) to be made by the Rental Car Companies (as hereinafter defined); and

WHEREAS, the Authority has entered into contracts with the Rental Car Companies whereby they will collect the CFC Revenue and pay the Contingent Payments and the Facility Payments; and

WHEREAS, the Authority has determined to issue and secure the Series 2019 Bonds pursuant to a trust indenture which may be supplemented from time to time to provide, among other things, for the issuance and security of additional series of bonds; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Series 2019 Bonds under the Act have been in all respects duly and validly authorized by a Resolution adopted by the Authority on January 16, 2019; and

WHEREAS, all things necessary to make the Series 2019 Bonds, when authorized by the Trustee and issued as in this Indenture, the valid, binding and legal obligations of the Authority according to the import thereof and to constitute this Indenture a valid assignment and pledge of the rights of the Authority to the revenues pledged hereunder have been done and performed and the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Series 2019 Bonds subject to the terms hereof have in all respects been duly authorized.

NOW, THEREFORE, for and in consideration of these premises and the mutual covenants herein contained, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds (as hereinafter defined) by the Owners thereof from time to time, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal, purchase price, redemption price and premium, if any, of and interest on the Bonds which are at any time Outstanding (as hereinafter defined) under this Indenture according to their tenor and effect, and the performance and observance by the Authority of all the covenants and conditions expressed or implied herein and contained in the Bonds, the Authority does hereby grant, bargain, sell, convey, assign, transfer and set over to the Trustee and its successors in trust and its and their assigns forever, without recourse, the Trust Estate to the extent and with the exceptions provided in this Indenture; and

TO HAVE AND TO HOLD all of the Trust Estate with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in trust and its and their assigns forever; nevertheless, to inure to the use and benefit of the Owners of all the Bonds, for the securing of the observance or performance of all the terms, provisions and conditions herein contained and for the equal and proportionate benefit and security of all and each of the present and future Owners of the Bonds issued and secured hereunder, without preference, priority, prejudice or distinction as to lien or otherwise, of any one Bond over any other to the end that each Owner of a Bond secured by this Indenture shall have the same rights, privileges and lien under and by virtue of this Indenture; and

PROVIDED, HOWEVER, that if, after the right, title and interest of the Trustee in and to the Trust Estate shall have ceased, terminated and become void in accordance with Article VIII hereof and all of the covenants, agreements, obligations, terms and conditions of the Authority under this Indenture shall have been kept, performed and observed, and there shall have been paid to the Trustee, the Registrar and the Paying Agent all sums of money due or to become due to them in accordance with the terms and provisions hereof. then and in that case these presents and the estate and rights hereby granted shall cease, terminate and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Authority such instruments in writing as shall be requisite to evidence the discharge hereof; otherwise this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and the Trust Estate and the other estates and rights hereby granted are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Bonds, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms as used in this Indenture, the Bonds and any certificate or document executed in connection therewith shall have the following meanings (or are defined elsewhere in this Indenture as indicated below) unless the context otherwise indicates:

"Account" shall mean any account established pursuant to this Indenture or any Supplemental Indenture.

"Act" shall mean Sections 15-120aa thru 15-120ss inclusive of the General Statutes of Connecticut, Revision of 1958, as amended from time to time.

"Administrative Costs Fund" shall mean the Fund of such designation established by the Trustee pursuant to Section 5.01 hereof and described in Section 5.08 hereof.

"Administrative Costs Requirement" shall mean such amount as shall be estimated by an Authorized Authority Representative to be necessary in the ensuing Fiscal Year (i) to pay fees and expenses of the Trustee, the Rating Agency, the auditor and consultants and other administrative or professional fees, and (ii) to reimburse the Authority for such costs and expenses previously paid by the Authority, considering amounts in the Administrative Costs Fund available for such purpose.

"Aggregate Annual Debt Service" shall mean for any Fiscal Year the aggregate amount of Annual Debt Service with respect to one or more designated Series of Outstanding Bonds, or if no Bonds are designated, all Outstanding Bonds hereunder. For purposes of calculating Aggregate Annual Debt Service, the following components of debt service shall be computed as follows:

(a) in determining the amount of principal of the applicable Series of Bonds becoming due and payable in a Fiscal Year, principal payments shall (unless a different clause of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule set forth in this Indenture, a Supplemental Indenture or such other governing documents setting forth the terms of such Bonds; and in determining the amount of interest on the applicable Series of Bonds becoming due and payable in a Fiscal Year, except to the extent clauses (b), (c), or (d) of

this definition applies, interest payable shall be made at the interest rate(s) and on the Interest Payment Dates set forth in this Indenture, a Supplemental Indenture or such other governing documents setting forth the terms of such Bonds; provided, however, that interest payable on the applicable Bonds shall be excluded to the extent such payments are to be paid from Capitalized Interest for such Fiscal Year;

(b) if any Bonds constitute Variable Rate Indebtedness, the interest rate used for such computation shall be (1) with respect to Tax-Exempt Bonds, that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a financial consultant to be a reasonable market rate for Fixed Rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and assuming that such Bonds would be issued as Tax-Exempt Bonds, and (2) with respect to Bonds the interest on which is not excluded from gross income for federal income tax purposes, that rate determined by a financial consultant to be a reasonable market rate for taxable Fixed Rate Bonds (i.e. an index rate based on yields of United States Treasury securities) of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and assuming that the interest on such Bonds would be includable in gross income for federal income tax purposes;

(c) debt service on Repayment Obligations, to the extent such obligations constitute Bonds under Section 3.14 hereof, shall be calculated as provided in Section 3.14 hereof;

(d) if moneys, Permitted Investments or any other amounts not included in the Trust Estate have been used to pay or have been irrevocably committed or irrevocably deposited with and are held by the Trustee or another fiduciary to pay principal and/or interest (including Capitalized Interest) on specified Bonds, then the principal and/or interest (including Capitalized Interest) to be paid from such moneys, Permitted Investments, other amounts not included in the Trust Estate or from the earnings thereon shall be disregarded and not included in calculating Aggregate Annual Debt Service.

"Airport" shall mean Bradley International Airport located in the Towns of East Granby, Suffield, Windsor Locks and Windsor, State of Connecticut and includes, at any relevant time, all land and related improvements and facilities within the boundary of the Airport as shown on the airport layout plan approved by the Federal Aviation Administration, or any functional successor thereto.

"Airport System" shall mean all airports, airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce under the jurisdiction and control of the Authority, including the Airport, and any successor entities

thereto, including all facilities and property related thereto, real or personal, under the jurisdiction or control of the Authority or in which the Authority has other rights or from which the Authority derives revenues at such location, and including or excluding, as the case may be, such property as the Authority may either acquire or which shall be placed under its control, or divest or have removed from its control.

"Annual Debt Service" shall mean, with respect to any Bond, the aggregate amount required to be on deposit in the Debt Service Fund or such other Fund or Account during the current Fiscal Year to satisfy the funding requirements for the payment of principal and interest becoming due and payable during such Fiscal Year.

"Authority" shall mean the Connecticut Airport Authority, created under the provisions of the Act, and any successor to its function. Any action required or authorized to be taken by the Authority in this Indenture may be taken by the Authorized Authority Representative with such formal approvals by the Authority as are required by the policies and practices of the Authority and applicable laws; provided, however, that any action taken by the Authorized Authority Representative in accordance with the provisions of this Indenture shall conclusively be deemed by the Trustee and the Owners to be the act of the Authority without further evidence of the authorization thereof by the Authority.

"Authorized Authority Representative" shall mean the Chair of the Board, the Executive Director of the Authority, or such other officer or employee of the Authority or other person designated by the Executive Director as an Authorized Authority Representative by written notice delivered by the Executive Director to the Trustee.

"Authorized Denomination" shall mean (a) with respect to the Series 2019 Bonds, $5,000 or any integral multiple thereof; and (b) with respect to any Series of Additional Bonds, such amounts as shall be specified in the Supplemental Indenture relating thereto.

"Available Amounts" shall have the meaning set forth in Section 6.12(c) hereof.

"Beneficial Owner" shall mean, so long as the Bonds are Book-Entry Bonds, any Person who acquires a beneficial ownership interest in a Bond held by the Securities Depository. If at any time the Bonds are not Book-Entry Bonds, Beneficial Owner means the Owner for purposes of this Indenture.

"Bond Counsel" shall mean Pullman & Comley, LLC or any other attorney at law or firm of attorneys, selected by the Authority, of nationally recognized standing in matters pertaining to the issuance of municipal securities and the tax-exempt nature of interest on municipal securities issued by states and their political subdivisions.

"Board" shall mean the board of directors of the Authority established pursuant to the provisions of the Act.

"Bondholder," "holder," "Owner" or *"owner"* shall mean, as of any time, the registered owner of any Bond as shown in the Registration Books kept by the Trustee as Registrar.

"Bonds" or *"Additional Bonds"* shall mean bonds, or other obligations to be issued by or on behalf of the Authority in combination and/or one or more series to be payable in whole or in part from (a) CFC Revenue; (b) Contingent Payments; (c) Facility Payments; and/or (d) in the sole and absolute discretion of the Authority, any other lawfully available funds as determined by the Authorized Authority Representative and issued and secured under this Indenture, including the Series 2019 Bonds.

"Bonds Coverage Requirement" shall have the meaning set forth in Section 6.07(c) hereof.

"Book-Entry Bonds" means the Bonds held by DTC (or its nominee) as the Bondholder thereof pursuant to the terms and provisions of Section 3.04 hereof. The Series 2019 Bonds shall be issued as Book-Entry Bonds.

"Business Day" shall mean a day on which banks located in New York, New York, in Hartford, Connecticut, and in the city in which the principal corporate trust office of the Trustee is located are open, provided that such term may have a different meaning for any specified Series of Bonds if so provided by a Supplemental Indenture.

"Capitalized Interest" shall mean the amount of interest on Bonds, if any, funded from the proceeds of the Bonds or other monies that are deposited with the Trustee in the Debt Service Fund as shall be described in this Indenture or a Supplemental Indenture upon issuance of Bonds to be used to pay interest on the Bonds.

"CFC" or *"Customer Facility Charge"* shall mean the customer facility charge imposed by the Authority pursuant to the CFC Resolution on rental car transactions per transaction day occurring on or off the Airport and required to be collected by the Rental Car Companies (and prior to the Commencement Date, by any Person or Persons that operates a rent-a-car business at the Airport and has entered into an On Airport Service Center Site Interim Lease and Operating Agreement or an Off Airport Car Rental Operating Agreement), and remitted to the Trustee, as assignee of the Authority, as further described and provided in the Rental Car Lease and Operating Agreements.

"CFC Deficiency" shall mean the difference between the CFC Revenue received during a Fiscal Year and the annual CFC Program Requirement for such Fiscal Year.

"CFC Program Requirement" shall mean all contributions and payments required by this Indenture to include the annual cost of the Aggregate Annual Debt Service, contributions to the Debt Service Reserve Fund to meet the Debt Service Reserve Requirement, contributions to the Coverage Fund to meet the Coverage Fund Requirement, contributions to the Administrative Costs Fund to meet the Administrative Costs Requirement, contributions to the Renewal and Replacement Fund to meet the Renewal and Replacement Requirement and any other required fees or reserves set forth in this Indenture for the Bonds and/or the Additional Bonds, as applicable.

"CFC Project Account" shall mean the Account of such designation established by the Trustee at the instruction of the Authority in the Construction Fund pursuant to Section 5.01 hereof and described in Section 5.03(c) hereof.

"CFC Resolution" shall mean, collectively, Resolution No. 2018-6 adopted by the Board on April 2, 2018, as such resolution may be amended and supplemented from time to time, and any other resolution that may be adopted by the Board in the future with respect to the imposition of the CFCs by the Authority on rental car transactions per transaction day occurring on or off the Airport.

"CFC Revenue " shall mean the amount received from the imposition of the CFC.

"CFC Revenue Fund" shall mean the Fund of such designation established by the Trustee pursuant to Section 5.01 hereof and described in Section 5.04 hereof.

"CFC Stabilization Fund" shall mean the Fund of such designation established by the Trustee in Section 5.01 hereof and described in Section 5.11 hereof.

"CFC Surplus Fund" shall mean the Fund of such designation established by the Authority pursuant to Section 5.01 hereof and described in Section 5.12 hereof.

"Chair of the Board" shall mean the person at a given time who is the chair of the Board, as provided for in the Act.

"Closing Date" shall mean April 9, 2019, the date of issuance and delivery of the Series 2019 Bonds to the initial purchasers thereof against payment therefor.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations applicable with respect thereto.

"Commencement Date" shall mean the date established by the Authority and provided to the rental car business operators in writing that reflects the date the rental car business may commence its operations at the CONRAC.

"Completion Certificate" shall mean the certificate delivered by the Authority as required pursuant to Section 6.09 hereof.

"Completion Date" shall mean the date on which the acquisition, construction, equipping and furnishing of the Project are completed substantially in accordance with the requirements described in Section 6.09 hereof as evidenced by the delivery of a Completion Certificate.

"Completion Bonds" shall mean Additional Bonds issued by the Authority in an aggregate principal amount not to exceed 10% of the original principal amount of the Series 2019 Bonds.

"CONRAC" means the ground area and improvements built at the Airport for the operations of rental car businesses.

"Construction Fund" shall mean the Fund of such designation established by the Trustee pursuant to Section 5.01 hereof and described in Section 5.03 hereof.

"Consultant" shall mean any one or more consultants selected by the Authority with expertise in the administration, financing, planning, maintenance and operations of airports and facilities thereof (including, rental car facilities) and qualified to review and assess the anticipated CFC Revenue and recommend to the Authority the amount of the CFC, and who, in the case of an individual, shall not be a member, officer or employee of the Authority.

"Contingent Payments" shall be an amount determined by the Authority in accordance with the Rental Car Lease and Operating Agreement to offset the Net CFC Deficiency.

"Costs of the Project" shall mean any and all costs (eligible to be paid with CFC Revenue) that are incurred or paid by Authority specifically arising from and in connection with the design, planning, development, financing, permitting, construction, installation, equipping, furnishing, improving and/or acquiring of the Project. Without limiting the generality of the foregoing, Costs of the Project include (but are not limited to): (a) the costs of real or personal property, rights, franchises, easements and other interests in property, real or personal, and the cost of demolishing or removing structures and site preparation, environmental remediation infrastructure, development, and landscaping and acquisition of land to which structures may be removed; (b) the costs of materials and supplies, machinery, equipment, vehicles, rolling stock, furnishings, improvements and enhancements; (c) labor and related costs and the costs of services provided, including costs of consultants, advisors, architects, engineers, construction managers, accountants, planners, attorneys, financial and feasibility consultants, in each case, whether or not an employee of the Authority or a Consultant; (d) the costs of the Authority properly allocated to the Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (e) the financing expenses, including costs related to issuance of and securing of the Bonds, costs of Credit Facilities, costs of Liquidity Facilities, Capitalized Interest, deposits to the CFC Revenue Fund, if any, deposits to the Coverage Fund, if any, and Trustee's fees and expenses; and (f) such other costs and expenses that can be capitalized under generally accepted accounting principles in effect at the time the cost is incurred by the Authority. Notwithstanding anything to the contrary in the foregoing, Costs of the Project shall only include those costs that are authorized to be paid with CFC Revenue.

"Coverage Fund" shall mean the Fund of such designation established by the Trustee pursuant to Section 5.01 hereof and described in Section 5.07 hereof.

"Coverage Fund Requirement" shall mean 25% of the Maximum Annual Debt Service Requirement for the Series 2019 Bonds and, upon the issuance of any Additional Bonds or

Refunding Bonds, shall mean 25% of the Maximum Annual Debt Service Requirement for all Bonds then Outstanding.

"Credit Facility" shall mean a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement, Reserve Fund Surety Policy or other financial instrument which obligates a third party to make payment of or provide funds to the Trustee for the payment of the principal of and/or interest on Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the Authority fails to do so.

"Credit Provider" shall mean the party obligated to make payment of principal of and interest on the Bonds under a Credit Facility.

"Debt Service Fund" shall mean the Fund of such designation established by the Trustee pursuant to Section 5.01 hereof and described in Section 5.05 hereof.

"Debt Service Reserve Fund" shall mean the Fund of such designation established by the Trustee pursuant to Section 5.01 hereof and described in Section 5.06 hereof.

"Debt Service Reserve Fund Requirement" shall mean for each of the Series 2019 A Bonds and the Series 2019 B Bonds an amount equal to the least of (i) the Maximum Annual Debt Service Requirements, (ii) 10% of the stated principal amount (or issue price as provided in the Code) or (iii) 125% of the average annual principal and interest requirements and, upon the issuance of any Additional Bonds or Refunding Bonds, shall mean such additional amount held in common for all series or separately for each series as shall be provided in the Supplemental Indenture authorizing the related series of Bonds.

"Designated Banking Institution" means an investment banking institution of national standing which is a primary United States government securities dealer in the City of New York designated by the Authority (which may be one of the underwriters of the Series 2019 Bonds).

"Event of Default" shall have the meaning ascribed to it in Section 9.01 hereof.

"Executive Director" shall mean the person at a given time who is the executive director of the Authority, as provided for in the Act, or such other title as the Authority may from time to time assign for such position, including, but not limited to President/CEO, and the officer or officers succeeding to such position as certified to the Trustee by the Authority.

"Facility Payments" shall mean a monthly payment to be made by the On-Airport RACs to the Trustee pursuant to the Rental Car Lease and Operating Agreement.

"*Fiscal Year"* shall mean the period of time beginning on July 1 of a calendar year and ending on June 30 of the immediately subsequent calendar year, or such other similar period as the Authority designates as its fiscal year.

"Fixed Rate" shall mean one or more non-floating, non-variable interest rates which apply to a Series of Bonds.

"Fixed Rate Bonds" shall mean any Series of Bonds bearing interest at a Fixed Rate.

"Fund" shall mean any fund established pursuant to this Indenture or any Supplemental Indenture.

"Government Obligations" shall mean (a) United States Obligations (including obligations issued or held in book-entry form), (b) pre-refunded municipal obligations meeting the following conditions: (i) the municipal obligations are not subject to redemption prior to maturity, or the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (ii) the municipal obligations are secured by cash and/or United States Obligations, which United States Obligations may be applied only to interest, principal and premium payments of such municipal obligations; (iii) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations; (iv) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (v) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (vi) the municipal obligations are rated in the highest rating category by one or more of the Rating Agencies, and (c) any other type of security or obligation which the Rating Agencies then maintaining ratings on the Bonds to be defeased have determined to be permitted defeasance securities.

"Ground Transportation Center" shall mean (i) a five-level parking ready return ("R/R") garage with three levels of Rental Car Company parking including customer service areas containing rental car counters and offices, one level of vehicle staging and storage and one level of public parking, (ii) a Quick Turn-Around vehicle service building connected to the R/R garage via a series of ramps, a fuel distribution and storage system and Rental Car Company employee parking, and (iii) a Vertical Circulation Building with elevators, stairways, escalators, and restrooms with the first floor containing the Airport transit center.

"Indenture" shall mean this Trust Indenture, dated as of April 1, 2019, by and between the Authority and the Trustee, as amended and supplemented from time to time.

"Insurance and Condemnation Proceeds Account" shall mean the Account of such designation established by the Trustee in the Construction Fund pursuant to Section 5.03(f) hereof.

"Insurance Policy" shall mean the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

"Insured Bondholder" shall mean the holder of an Insured Bond.

"Insured Bonds" shall mean the 2019 Series B Bonds maturing on July 1, 2030, July 1, 2031 and July 1, 2032.

"Insurer" shall mean Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

"Interest Payment Date" shall mean, (a) for the Series 2019 Bonds, January 1 and July 1 of each year that the Series 2019 Bonds remain Outstanding, commencing July 1, 2019, and (b) for any Additional Bonds, the dates set forth in the Supplemental Indenture entered into in connection with the issuance of such Additional Bonds.

"Investment Agreement" shall mean an investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in clauses (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Authority, as applicable, (iii) subject to a perfected first lien on behalf of the Trustee or the Authority, as applicable, and (iv) free and clear from all third-party liens.

"Laws" shall mean all present and future laws, rules, regulations, directives, permits, executive orders, other governmental orders and conditions of any permits or other governmental approvals applicable to this Indenture, the Bonds, the Rental Car Companies, CONRAC, the Ground Transportation Center, the Project or the use thereof, or any of them from time to time, foreseen or unforeseen; provided, however, that rules, directives and regulations of the Authority shall only be deemed "Laws" if generally applicable at the Airport.

"Liquidity Facility" shall mean a letter of credit, line of credit, standby purchase agreement or other financial instrument, including a Credit Facility, which is available to provide funds with which to purchase Bonds.

"Liquidity Provider" shall mean the entity, including a Credit Provider, which is obligated to provide funds to purchase Bonds under the terms of a Liquidity Facility.

"Maximum Annual Debt Service Requirement" shall mean the maximum amount of Aggregate Annual Debt Service with respect to all Bonds, as applicable, in the then current or any future Fiscal Year.

"Maximum Rate" shall mean the maximum rate of interest on the relevant obligation as may be established by a Supplemental Indenture entered into in connection with the issuance of any Additional Bonds, and in all events, a rate not exceeding that permitted by applicable Law.

"Minimum Annual Requirement" shall have the meaning set forth in Section 6.07(b) hereof.

"Net CFC Deficiency" shall mean the CFC Deficiency for a Fiscal Year plus all CFC funds held in the CFC Stabilization Fund that the Authority has made available to offset the CFC Deficiency.

"Net Proceeds" shall have the meaning set forth in Section 6.12 hereof.

"On Airport RACs" means collectively, those rental car companies authorized by the Authority to conduct their respective rental car businesses at the CONRAC under a Rental Car Lease and Operating Agreement with the Authority.

"Off Airport RACs" means a Person that rents vehicles to Airport customers, under a Rental Car Lease and Operating Agreement or Off Airport Rental Car Operating Agreement but does not lease space from the Authority at the Airport.

"Outstanding" when used with respect to Bonds shall mean all Bonds which have been authenticated and delivered under this Indenture and any Supplemental Indenture, except:

(a) Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby;

(b) Bonds deemed to be paid in accordance with Article VIII hereof;

(c) Bonds in lieu of which other Bonds have been authenticated under Sections 3.07, 3.08 or 3.10 hereof;

(d) Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Trustee or a Paying Agent;

(e) Bonds which, under the terms of this Indenture or a Supplemental Indenture pursuant to which they were issued, are deemed to be no longer Outstanding;

(f) Repayment Obligations deemed to be Bonds under Section 3.14 hereof to the extent such Repayment Obligation arose under the terms of a Liquidity Facility and are secured by a pledge of Outstanding Bonds acquired by the Liquidity Provider; and

(g) for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds under this Indenture, Bonds held by or for the account of the Authority or by any Person controlling, controlled by or under common control with the Authority, unless such Bonds are pledged to secure a debt to an unrelated party.

"Participant" shall mean, with respect to DTC or another Securities Depository, a member of or participant in DTC or such other Securities Depository, respectively.

"Paying Agent" shall mean the Trustee or any other paying agent appointed in accordance with Section 10.12 hereof.

"Payment Date" shall mean each Interest Payment Date, Principal Payment Date or any other date on which any principal of, premium, if any, or interest on any Bond is due and payable for any reason, including without limitation upon any redemption of the Series 2019 Bonds pursuant to Article IV hereof.

"Permitted Investments" shall mean any of the following, but only to the extent permitted by the laws of the State and the Authority's investment policy:

(a) United States Obligations;

(b) Obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following instrumentalities or agencies of the United States of America: Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Financing Bank; Government National Mortgage Association; Federal National Mortgage Association; Student Loan Marketing Association; Federal Farm Credit Bureau; Fanners Home Administration; Federal Home Loan Mortgage Corporation; and Federal Housing Administration;

(c) Direct and general long-term obligations of any state, political subdivisions of a state or agencies of a state which obligations are rated in one of the two highest Rating Categories by one or more of the Rating Agencies;

(d) Direct and general short-term obligations of any state, political subdivisions of a state or agencies of a state, other than the State, which obligations are rated in the highest Rating Category by one or more of the Rating Agencies;

(e) Interest-bearing demand or time deposits (including certificates of deposit) or interests in money market portfolios issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC") or by savings and loan associations that are members of the FDIC, which deposits or interests must either be (i) continuously and fully insured by FDIC and with banks that are rated at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated in one of the two highest long-term Rating Categories by one or more of

the Rating Agencies; or (ii) fully secured by obligations described in clause (a) or (b) of this definition of Permitted Investments (A) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to the principal amount of the investment, (B) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Authority, as applicable, (C) subject to a perfected first lien in favor of the Trustee or the Authority, as applicable, and (D) free and clear from all third-party liens;

(f) Long-term or medium-term corporate debt guaranteed by any corporation that is rated in one of the two highest Rating Categories by one or more of the Rating Agencies;

(g) Repurchase agreements which are (A) entered into with banks or trust companies organized under state law, national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and which either are members of the Security Investors Protection Corporation or with a dealer or parent holding company that has an investment grade rating from one or more of the Rating Agencies and (B) fully secured by obligations specified in clause (a) or (b) of this definition of Permitted Investments (1) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements, (2) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Authority, as applicable, (3) subject to a perfected first lien in favor of the Trustee or the Authority, as applicable, and (4) free and clear from all third-party liens;

(h) Prime commercial paper of a United States corporation, finance company or banking institution rated in the highest short-term Rating Category of one or more of the Rating Agencies;

(i) Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940, as amended) or shares in a regulated investment company (as defined in Section 851(a) of the Code) that is (A) a money market fund that has been rated in one of the two highest Rating Categories by one or more of the Rating Agencies or (B) a money market fund or account of the Trustee or its affiliates or any state or federal bank that is rated at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies, or whose own bank holding company parent is rated at least in the highest short-terns Rating Category by one or more of the Rating Agencies or is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies, or that has a combined capital and surplus of not less than $50,000,000 (all investments included in this clause (i) may include funds which the Trustee or its affiliates provide investment advisory or other management services);

(j) Interest bearing notes issued by a banking institution having a combined capital and surplus of at least $500,000,000 and whose senior debt is in the highest Rating Category by one or more of the Rating Agencies;

(k) Public housing bonds issued by public agencies which are either unconditionally guaranteed as to principal and interest by the United States of America, or rated in the highest Rating Category by one or more of the Rating Agencies;

(l) Obligations issued or guaranteed by Private Export Funding Corporation, Resolution Funding Corporation and any other instrumentality or agency of the United States of America;

(m) Investment Agreements;

(n) Any other type of investment consistent with Authority policy in which the Authority directs the Trustee to invest provided that there is delivered to the Trustee a certificate of an Authorized Authority Representative stating that each of the Rating Agencies then maintaining a rating on the Bonds has been informed of the proposal to invest in such investment and each of such Rating Agencies has confirmed that such investment will not adversely affect the rating then assigned by such rating agency to any of the Bonds;

(o) Any state administered pool investment fund in which the Authority is statutorily permitted or required to invest including, without limitation, participation certificates in the Short Term Investment Fund created by Section 3-27e of the Connecticut General Statutes; and

(p) any other investment which is a permitted investment of the Authority in accordance with the laws of the State.

"Person" shall mean a corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual or government or any governmental agency or political subdivision thereof.

"Pledged Funds" shall mean (i) any amounts on deposit from time to time in the CFC Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, the Renewal and Replacement Fund, and the CFC Stabilization Fund, and (ii) any amounts, including investment income, on deposit in the Construction Fund from time to time that are not encumbered or otherwise allocated by the Authority to or necessary for the completion of a Project and except for amounts in the CFC Project Account and the Project Contribution Account. The Surplus CFC Fund, the CFC Project Account and the Project Contribution Account are specifically excluded from Pledged Funds.

"Principal Amount" or *"principal amount"* shall mean, as of any date of calculation the principal amount of such Bond payable at maturity.

"Principal Payment Date" shall mean July 1 of each year in which principal of the Bonds of any Series is due and payable.

"Project" means the (i) planning, design and construction of the Ground Transportation Center, (ii) construction of elevated pedestrian walkways and a grade covered roadway crossing that will connect the Ground Transportation Center with the existing passenger terminal and public parking garage along with two elevators serving the ticketing level and baggage claim level of terminal A, (iii) construction of utility infrastructure improvements necessary for the construction and operation of the Ground Transportation Center, (iv) construction of an at grade uncovered public parking lot, (v) construction of a new exit and entrance to the existing parking garage, (vi) construction of roadways and equipment required to provide access and egress from the new at-grade public parking lot and the covered parking lot and (vii) demolition of the existing Hamilton Road Bridge over Schoephoester Road.

"Project Contribution" shall mean the funds deposited, if any, in the Project Contribution Account by the Authority.

"Project Contribution Account" shall mean the Account of such designation established by the Trustee in the Construction Fund pursuant to Section 5.01 hereof and described in Section 5.03(d) hereof.

"Project Revenues" shall mean CFC Revenue, Contingent Payments and Facility Payments and any other sums paid to the Trustee or the Authority for deposit in the CFC Revenue Fund.

"Rating Agency" and *"Rating Agencies"* shall mean any nationally recognized rating agency of municipal obligations, but only if such Rating Agency or Rating Agencies have been requested by the Authority to maintain a rating on the Bonds and such Rating Agency or Rating Agencies are then maintaining a rating on any of the Bonds.

"Rating Category" and *"Rating Categories"* shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

"Rebate Fund" shall mean each of the Series 2019 A Rebate Fund or any other rebate fund established pursuant to a Supplemental Indenture or a tax compliance certificate with respect to a Series of Tax-Exempt Bonds.

"Record Date" shall mean (a) with respect to the Series 2019 Bonds, the close of business on the fifteenth (15^{th}) day of the month immediately preceding the month in which a Payment Date occurs (provided if such fifteenth (15^{th}) day is not a Business Day, it shall be the preceding Business Day); and (b) with respect to any other Series of Bonds, the date specified in the Supplemental Indenture providing for the issuance of such Series of Bonds.

"Refunding Bonds" shall mean one or more Series of Bonds issued pursuant to Section 3.12(b) hereof to refund Outstanding Bonds.

"Registrar" shall mean the Trustee acting as the Bond registrar hereunder.

"Registration Books" shall mean the register of the record owners of the Bonds maintained by the Registrar.

"Renewal and Replacement Fund" shall mean the Fund of such designation established by the Trustee pursuant to Section 5.01 hereof and described in Section 5.10 hereof.

"Renewal and Replacement Fund Requirement" shall mean an annual deposit beginning in the first full Fiscal Year after the Commencement Date in the amount of the lesser of $1,000,000 and the amount required to bring the Renewal and Replacement Fund balance to the greater of $5,000,000 or an amount determined by the Authority in its sole discretion to be necessary to meet the requirements of the CONRAC.

"Rental Car Company" or *"Rental Car Companies"* shall mean any Person or Persons that operates a rental car business serving airport customers under the terms of a Rental Car Lease and Operating Agreement or Off Airport Rental Car Operating Agreement.

"Rental Car Lease and Operating Agreement" shall mean each Rental Car Lease and Operating Agreement entered into, from time to time, by and between the Authority and each On Airport RAC and Off Airport RAC that authorizes such On Airport RAC or Off Airport RAC, as the case may be, to carry out its rental car activities at the Airport, as the same may be duly supplemented, modified or amended from time to time in accordance with its terms.

"Representation Letter" shall mean the Blanket Issuer Letter of Representations dated March 21, 2019, from the Authority to DTC.

"Reserve Fund Surety Policy" shall mean an insurance policy or surety bond, or a letter of credit, deposited with the Trustee for the credit of the Debt Service Reserve Fund in lieu of or partial substitution for cash or securities on deposit therein. The entity providing such Reserve Fund Surety Policy shall be rated, at the time of original delivery of such Reserve Fund Surety Policy, in one of the two highest long-term Rating Categories by one or more of the Rating Agencies.

"Securities Depository" or *"DTC"* shall mean The Depository Trust Company and its successors and assigns or any other securities depository selected by the Authority which agrees to follow the procedures required to be followed by such securities depository in connection with the Bonds.

"Series" shall mean each of the Series 2019 A Bonds and the Series 2019 B Bonds issued pursuant to this Indenture and each series of Additional Bonds issued pursuant to this Indenture and a Supplemental Indenture.

"Series 2019 Bonds" shall mean, collectively, the Series 2019 A Bonds and the Series 2019 B Bonds.

"Series 2019 Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement, dated the Closing Date, and executed by the Authority pursuant to which the Authority shall agree to undertake for the benefit of the Bondholders and the Beneficial Owners of the Series 2019 Bonds certain ongoing disclosure requirements.

"Series 2019 A Bonds" shall mean the Authority's $35,410,000 Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Series 2019 A (AMT).

"Series 2019 A Construction Account" shall mean the Account of such designation established by the Trustee in the Construction Fund pursuant to Section 5.01 hereof and described in Section 5.03(a) hereof.

"Series 2019 A Costs of Issuance Account" shall mean the Account of such designation established by the Trustee in the Construction Fund pursuant to Section 5.01 hereof and described in Section 5.03(b) hereof.

"Series 2019 A Debt Service Account" shall mean the Account of such designation established by the Trustee in the Debt Service Fund pursuant to Section 5.01 hereof and described in Section 5.05 hereof.

"Series 2019 A Rebate Fund" shall mean the Series 2019 A Rebate Fund of such designation established by the Trustee pursuant to Section 5.01 hereof and described in Section 5.09 hereof and in the Series 2019 Tax Certificate.

"Series 2019 A Reserve Account" shall mean the Account of such designation established by the Trustee in the Debt Service Reserve Fund pursuant to Section 5.01 hereof and described in Section 5.06 hereof.

"Series 2019 A Tax Certificate" shall mean the Tax Compliance Certificate, dated the Closing Date, executed and delivered by the Authority with respect to the Series 2019 A Bonds.

"Series 2019 B Bonds" shall mean the Authority's $115,690,000 Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Series 2019 B (Federally Taxable).

"Series 2019 B Construction Account" shall mean the Account of such designation established by the Trustee in the Construction Fund pursuant to Section 5.01 hereof and described in Section 5.03(a) hereof.

"Series 2019 B Costs of Issuance Account" shall mean the Account of such designation established by the Trustee in the Construction Fund pursuant to Section 5.01 hereof and described in Section 5.03(b) hereof.

"Series 2019 B Debt Service Account" shall mean the Account of such designation established by the Trustee in the Debt Service Fund pursuant to Section 5.01 hereof and described in Section 5.05 hereof.

"Series 2019 B Reserve Account" shall mean the Account of such designation established by the Trustee in the Debt Service Reserve Fund pursuant to Section 5.01 hereof and described in Section 5.06 hereof.

"Series 2019 B Term Bonds" shall mean the Series 2019 B Bonds maturing on July 1, 2039 and July 1, 2045.

"State" shall mean the State of Connecticut.

"Supplemental Indenture" shall mean any document supplementing or amending this Indenture or providing for the issuance of Bonds and entered into as provided in Article XI hereof.

"Taking" means the acquisition by condemnation or the exercise of the power of eminent domain under any federal or state statute by the United States, the State, or any federal or state agency or any other person vested with such power, of a temporary or permanent interest in all or any part of the Project.

"Tax-Exempt Bonds" shall mean the Series 2019 A Bonds and any other Series of Additional Bonds the interest on which is excludable from the gross income of the recipient thereof for federal income tax purposes.

"Treasury Rate" means, as of any redemption date of the Series 2019 B Bonds, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available seven (7) Business Days prior to the date fixed for redemption (excluding inflation-indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data as selected by a Designated Banking Institution) most nearly equal to the period from the redemption date to the maturity date of the Series 2019 B Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Trustee" shall mean U.S. Bank National Association, and any successors thereto.

"Trust Estate" shall mean (a) all CFC Revenue received or receivable by the Authority or the Trustee, as assignee of the Authority, together with interest thereon, (b) all Contingent Payments and Facility Payments paid by the Rental Car Companies to the Trustee, as assignee of the Authority, together with interest thereon pursuant to the Rental Car Lease and Operating Agreements or to any other agreement entered into by the Authority which entitles the Authority to collect Contingent Payments and/or Facility Payments (c) all casualty insurance proceeds and condemnation awards required to be applied pursuant to Section 6.12 hereof, (d) with respect to

the Series 2019 Bonds, all moneys, investments and proceeds of Series 2019 Bonds on deposit in the Construction Fund (subject to any restrictions set forth in the Series 2019 A Tax Certificate or any other tax compliance certificate entered into by the Authority in connection with the issuance of Bonds as Tax-Exempt Bonds and excluding moneys held in the CFC Project Account and the Project Contribution Account and amounts encumbered or otherwise allocated by the Authority to or necessary for the completion of a Project), the CFC Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, the Renewal and Replacement Fund and the CFC Stabilization Fund and interest and investment earnings thereon (excluding interest and investment earnings in the CFC Project Account and the Project Contribution Account), subject to the provisions of Section 5.14 hereof regarding moneys for the benefit of the holders of a particular Series of Bonds, and (e) all other rights granted, pledged or assigned by the Authority to the Trustee hereunder and including, but not limited to, the collection and remittance of the CFC Revenue, Contingent Payments and Facility Payments to the Trustee, as assignee of the Authority. The Trust Estate shall not include moneys, investments and proceeds in a Rebate Fund or the CFC Surplus Fund.

"Trust Indenture Act" shall mean the federal Trust Indenture Act of 1939, as amended, and any successor thereto.

"United States Bankruptcy Code" shall mean Title 11 U.S.C., Section 101 et seq., as amended or supplemented from time to time, or any successor federal act.

"United States Obligations" shall mean direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, with respect only to direct and general obligations and not to guaranteed obligations, evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein: (a) a bank or trust company acts as custodian and holds the underlying United States Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (c) the underlying United States Obligations are held in a special account separate from the custodian's general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated. "United States Obligations" shall include any stripped interest or principal portion of United States Treasury securities and any stripped interest portion of Resolution Funding Corporation securities.

"Variable Rate Indebtedness" shall mean any Bond or Bonds the interest rate on which is not, at the time in question, fixed to maturity.

Section 1.02. Interpretation and Construction. For purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Indenture to designated "Articles," "Sections," "subsection," "paragraphs," "clauses" and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Indenture. The words "herein," "hereof," "hereby,"

"hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Articles, Section or other subdivision.

(b) The singular form of any word, including the terms defined in Section 1.01 hereof, includes the plural, and vice versa, and a word of any gender includes all genders.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

(d) The term "money" includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder.

(e) Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent" or similar action hereunder by the Authority, the Trustee, or any other fiduciary shall, unless otherwise specifically provided, be in writing signed by an officer or other agent of such party authorized to sign the same.

(f) In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding."

(g) This Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

(h) To the extent any inconsistencies exist between any of the provisions contained in this Indenture, the more specific provisions shall control over the more general provisions.

(i) Whenever in this Indenture the Authority or the Trustee is named or referred to, it shall include, and shall be deemed to include, its respective successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Authority or the Trustee contained in this Indenture shall bind and inure to the benefit of such respective successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority, the Trustee or of their successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Indenture.

ARTICLE II

SECURITY FOR BONDS

Section 2.01. Grant, Pledge and Assignment of Trust Estate. The Authority, in consideration for the purchase of the Bonds by the Owners of the Bonds and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the due payment of principal, redemption price and premium, if any, of and interest on the Bonds and compliance by the Authority with its agreements contained in this Indenture, the Authority hereby grants, pledges and assigns to the Trustee for the benefit of the Owners of the Bonds all of its right, title and interest in and to the Trust Estate. The pledge hereof and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority with respect to the Bonds shall be for the equal benefit, protection and security of the Owners of any and all Bonds, each of which, regardless of the time or times of its issue or maturity, shall be of equal rank with the other Owners of the Bonds, without preference, priority or distinction over any other thereof except as to the timing of payment of the principal, redemption price and premium, if any, of and interest on the Bonds or as otherwise expressly provided in this Indenture. The pledge made or provided for in this Section by the Authority pursuant to Section 15-120ff of the Connecticut General Statutes shall be valid and binding from the time when the pledge is made, and the revenues or property so pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act. The lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

Section 2.02. Bonds are Special Limited Obligations. The Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of the Trust Estate. Neither the Project nor any other properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Bonds, and neither the full faith and credit of the Authority, the State or any political subdivision thereof nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of, redemption price, premium, if any, or interest on the Bonds. Nothing herein shall be construed as requiring the Authority to use any funds or revenues from any source other than as described herein.

Section 2.03. Reserved.

Section 2.04. Further Assurance. The Authority, at the written request of the Trustee, will from time to time execute, deliver and record and file such instruments as may be reasonably required to confirm, perfect or maintain the security interests created hereby and the transfer, assignment and grant of rights hereunder; provided, however, that the Trustee shall have no obligation to make any such request unless directed in writing by the holders of at least 51% of the Principal Amount of the Bonds then Outstanding.

ARTICLE III

ISSUANCE OF BONDS; TERMS OF BONDS

Section 3.01. Authorization, Issuance and Purpose of Bonds. Either taxable or Tax-Exempt Bonds may be issued by the Authority under the terms of this Indenture for the purposes of financing and refinancing the Costs of the Project or any other costs eligible to be paid with CFC Revenue. Bonds may be issued under this Indenture only if the provisions of Section 3.11 or 3.12 hereof, as applicable, are satisfied. The Bonds may be in certificated or uncertificated form, and Bonds which are issued in certificated form may be freely transferable or may be immobilized and held by a custodian for the Beneficial Owners, all as shall be set forth or permitted herein and in a Supplemental Indenture providing for the issuance of such Bonds. The Bonds may have notations, legends or endorsements required by law or usage.

Bonds will be numbered and dated as provided in this Indenture and the applicable Supplemental Indenture.

All Bonds shall contain a statement to the following effect:

> The Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of the Trust Estate. The Bonds (a) shall not constitute a debt or liability of the State of Connecticut (the "State"), or of any political subdivision thereof; (b) shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payments; and (c) shall not constitute a charge, lien or encumbrance, legal or equitable upon any property of the State or any political subdivision thereof except the property of the Authority pledged hereby and under the Indenture.

Section 3.02. Authorization, Issuance and Terms of Series 2019 Bonds.

(a) **Authorization and Designation of the Series 2019 Bonds; Principal Amount**. Pursuant to the authority contained in the Act and this Indenture, there is hereby established and created under this Indenture (i) an issue of Customer Facility Charge Revenue Bonds of the Authority, to be known and designated as the "Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Series 2019 A (AMT)", which shall be issued in the original principal amount of $35,410,000; and (ii) an issue of Customer Facility Charge Revenue Bonds of the Authority, to be known and designated as the "Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Series 2019 B (Federally Taxable)", which shall be issued in the original principal amount of $115,690,000.

(b) **General Terms of the Series 2019 Bonds**. The Series 2019 Bonds shall, upon initial issuance, be dated April 9, 2019 and bear interest from their dated date until maturity.

Interest on the Series 2019 Bonds shall be paid on July 1, 2019 and semiannually thereafter on January 1 and July 1. Interest on the Series 2019 Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. The Series 2019 Bonds shall be issued as Book-Entry Bonds.

The Series 2019 A Bonds shall be issued in the original principal amount of $35,410,000 and shall mature on the dates and in the principal amounts and bear interest at the interest rates as set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rate
July 1, 2049	$15,410,000	4.00%
July 1, 2049	$20,000,000	5.00%

The Series 2019 B Bonds shall be issued in the original principal amount of $115,690,000 and shall mature on the dates and in the principal amounts and bear interest at the interest rates as set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rate
2023	$1,840,000	2.866%
2024	$3,495,000	2.916%
2025	$3,595,000	3.024%
2026	$3,705,000	3.174%
2027	$3,820,000	3.281%
2028	$3,945,000	3.431%
2029	$4,085,000	3.531%
2030	$4,225,000	3.611%
2031	$4,380,000	3.711%
2032	$4,540,000	3.811%
2033	$4,715,000	3.981%
2034	$4,900,000	4.081%
2039	$27,710,000	4.132%
2045	$40,735,000	4.282%

Payment of the principal of the Series 2019 Bonds shall be made upon surrender of the Series 2019 Bonds to the Trustee or its agent; provided that with respect to the Series 2019 Bonds which are Book-Entry Bonds, the payment of the principal shall be made as provided in Section 3.04 hereof and the Representation Letter. Payment of interest on Series 2019 Bonds which are not Book-Entry Bonds shall be paid by check or draft of the Trustee mailed on the applicable Interest Payment Date by first-class mail to the person who is the Bondholder thereof on the Record Date, and such payment shall be mailed to such Bondholder at his address as it appears on the registration books of the Registrar. The payment of interest on the Series 2019 Bonds that are Book-Entry Bonds shall be made as provided in Section 3.04 hereof and the Representation Letter. With respect to all Series 2019 Bonds, interest due and payable on any Interest Payment Date shall be paid to the person who is the Bondholder as of the Record Date. The Series 2019 Bonds shall be substantially in the form of Exhibit A attached hereto with such

appropriate variations, omissions, substitutions and insertions as are permitted or required by this Indenture. The Series 2019 A Bonds shall be numbered consecutively from R-A-1 upwards in order of issuance according to the records of the Registrar. The Series 2019 B Bonds shall be numbered consecutively from R-B-1 upwards in order of issuance according to the records of the Registrar.

If the principal of a Series 2019 Bond becomes due and payable, but shall not have been paid as a result of a default hereunder, and no provision is made for its payment, then such Series 2019 Bond shall bear interest at the same rate after such default as on the day before the default occurred.

Principal and interest will be paid in lawful money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfer payable in such money.

Section 3.03. Insured Bonds. Notwithstanding any other provision of this Indenture to the contrary, this Section 3.03 shall apply solely to the Insured Bonds.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund. Notwithstanding anything to the contrary set forth in this Indenture, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

(b) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Bonds are entitled to take pursuant to this Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Indenture and each Insured Bond, the Trustee (solely with respect to the Insured Bonds) and each Insured Bondholder appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the Authority under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without, limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas of performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee (solely with respect to the Insured Bonds) and each Insured Bondholder delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Insured Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

(c) The maturity of the Insured Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Insured Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Authority) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.

(d) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(e) The Insurer shall be included as a third party beneficiary to this Indenture.

(f) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Insured Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of this Indenture which permits the purchase of Insured Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Insured Bond so purchased is not cancelled upon purchase.

(g) Any amendment, supplement, modification to, or waiver of, this Indenture or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(h) The rights granted to the Insurer under this Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Bonds and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the owners of the Insured Bonds or any other person is required in addition to the consent of the insurer.

(i) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated

"AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Insured Bonds unless the Insurer otherwise approves.

To accomplish defeasance, the Authority shall cause to be delivered to the Insurer (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Insured Bonds are no longer "Outstanding" under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Insured Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority, the Trustee and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Insured Bonds shall be deemed "Outstanding" under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

(j) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Indenture and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Authority in accordance with this Indenture. This Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(k) The Authority covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(l) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency, by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the

Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Insured Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Authority on any Insured Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon the Insurer's payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account, for the benefit of Insured Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Insured Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Insured Bondholders in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections hereof regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Authority agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances") and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York,

as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Authority hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Insured Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following an Insured Bond payment date shall promptly be remitted to the Insurer.

(m) The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Authority to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(n) The Authority shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under this Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with this Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect, of this Indenture or any other Related Document.

(o) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate as directed by the Authority only after the payment of past due and current debt service on the Insured Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

(p) The Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Authority (as such terms are defined in the Insurance

Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(q) The notice address of the Insurer is Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director - Surveillance, Re: Policy No. 219320-N, Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the Deputy General Counsel - Public Finance and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(r) The Insurer shall be provided with the following information by the Authority or Trustee, as the case may be:

(i) The Authority shall provide annual audited financial statements of Bradley International Airport Enterprise Fund and the General Aviation Airport Enterprise Fund within 180 days after the end of the Authority's fiscal year (together with a certification of the Authority that it is not aware of any default or Event of Default under the Indenture), and the Authority's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any withdrawal from the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Insured Bonds;

(iii) Notice of any Event of Default known to the Trustee or Authority within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Authority commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;

(ix) All reports, notices and correspondence to be delivered to holders of Insured Bonds under the terms of the Related Documents; and

(x) To the extent that the Authority has entered into a continuing disclosure agreement with respect to the Insured Bonds, the Authority shall provide all information furnished pursuant to such agreement to the Insurer, simultaneously with the furnishing of such information.

(s) The Insurer shall have the right to receive such additional information as it may reasonably request.

(t) The Authority will permit the Insurer to discuss the affairs, finances and accounts of the Authority or any Information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Authority and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Authority on any business day upon reasonable prior notice.

(u) The Trustee shall notify the Insurer of any failure of the Authority to provide notices, certificates and other information to the Trustee under this Indenture.

(v) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Indenture, no such Issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Fund Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(w) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Insured Bonds or the rights of the holders of Insured Bonds, the Authority and the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(x) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(y) So long as any Insured Bonds remain outstanding or any amounts are owed to the Insurer by the Authority, the Authority shall not issue or incur indebtedness payable from or secured in whole or in part by the Pledged Funds that (i) bears interest at other than fixed rates or (ii) permits the holder to tender such indebtedness for purchase prior to the stated maturity thereof, in either case without the prior written consent of the Insurer.

(z) So long as any Insured Bonds remain outstanding or any amounts are owed to the Insurer by the Authority, the Authority shall not enter into any interest rate exchange agreement, cap, collar, floor ceiling of other agreement or instrument involving reciprocal payment obligations between the Authority and a counterparty based on interest rates applied to a notional amount of principal, without the prior written consent of the Insurer.

Section 3.04. Book-Entry Bonds.

(a) Except as provided in subparagraph (c) of this Section or a Supplemental Indenture, the Bondholder of all of the Bonds (including the Series 2019 Bonds) shall be DTC and the Bonds (including the Series 2019 Bonds) shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal and redemption price of and interest on any Bond registered in the name of Cede & Co. shall be made by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. at the address indicated on the Record Date or special record date for Cede & Co. in the registration books of the Registrar.

(b) The Bonds shall be initially issued in the form of separate single authenticated fully registered bonds for each separate stated maturity and interest rate for each Series of Bonds. Upon initial issuance, the ownership of the Bonds shall be registered in the registration books of the Registrar in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of paying the principal and redemption price of and interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture or any Supplemental Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the Authority shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the Authority shall have any responsibility or obligation to any Participant, any person claiming a Beneficial Ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown

on the registration books as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal and redemption price of or interest on the Bonds; any notice which is permitted or required to be given to Bondholders under this Indenture or any Supplemental Indenture; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of a Bond; any consent given or other action taken by DTC as Bondholder; or any other purpose. The Trustee shall pay all principal and redemption price of and interest on the Bonds only to or "upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal and redemption price of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond evidencing the obligation of the Authority to make payments of principal, redemption price and interest pursuant to this Indenture or any Supplemental Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Indenture or any Supplemental Indenture shall refer to such new nominee of DTC.

(c) In the event the Authority determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, and notifies DTC, the Trustee and the Registrar of such determination, then DTC will notify the Participants of the availability through DTC of Bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor Securities Depository), the Authority and the Trustee shall be obligated to deliver Bond certificates as described in this Indenture and any Supplemental Indenture. In the event Bond certificates are issued, the provisions of this Indenture and any Supplemental Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal and redemption price of and interest on such certificates. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its DTC account or (ii) to arrange for another Securities Depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Indenture or any Supplemental Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and redemption price of and interest on such Bond and all notices with

respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture and any Supplemental Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

(f) NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC TO ANY PARTICIPANT OF THE PRINCIPAL AND REDEMPTION PRICE OF OR INTEREST ON THE BONDS; THE PROVIDING OF NOTICE TO PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, OR ANY PARTICIPANT; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER OF THE BONDS.

Section 3.05. Execution and Authentication. Each of the Bonds shall be executed on behalf of the Authority by the manual or facsimile official signature of the Executive Director or such other officer of the Authority as designated in a resolution adopted by the Board. The official seal (which may be a facsimile) of the Authority may be impressed or imprinted on the Bonds. In case any officer whose signature or whose facsimile signature shall appear on any Bonds shall cease to be such officer before the authentication of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until authentication. Also, if a person signing a Bond is the proper officer on the actual date of execution, the Bond will be valid even if that person is not the proper officer on the nominal date of action and even though, at the date of this Indenture, such person was not such officer.

A Bond shall not be valid until the Trustee or its agent or an authenticating agent designated by the Authority manually signs the certificate of authentication on the Bond. Such signature will be conclusive evidence that the Bond has been authenticated under this Indenture.

Section 3.06. Bond Register. Bonds of each Series may be presented at the principal corporate trust office of the Trustee or such other Registrar, unless a different office has been designated for such purpose, for registration, transfer and exchange. The Trustee or a Registrar will keep a register of each Series of Bonds and of their transfer and exchange.

Section 3.07. Mutilated, Lost, Stolen or Destroyed Bonds.

(a) In the event any Bond is mutilated or defaced but identifiable by number and description, the Authority shall execute and the Trustee shall

authenticate and deliver a new Bond of like Series, date, maturity, rate and denomination as such Bond, upon surrender thereof to the Trustee; provided that there shall first be furnished to the Trustee and the Authority clear and unequivocal proof satisfactory to the Trustee and the Authority that the Bond is mutilated or defaced. The Bondholder shall accompany the above with a deposit of money required by the Trustee for the cost of preparing the substitute Bond and all other expenses connected with the issuance of such substitute. The Trustee shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

(b) In the event any Bond is lost, stolen or destroyed, the Authority may execute and the Trustee may authenticate and deliver a new Bond of like Series, date, maturity, rate and denomination as that Bond lost, stolen or destroyed, provided that there shall first be furnished to the Trustee and the Authority evidence of such loss, theft or destruction satisfactory to the Trustee and the Authority, together with indemnity satisfactory to it.

(c) Except as limited by this Indenture or any Supplemental Indenture, the Trustee may charge the holder of any such Bond all governmental charges and transfer taxes, if any, and its reasonable fees and expenses in connection therewith. All substitute Bonds issued and authenticated pursuant to this Section shall be issued as a substitute and numbered as determined by the Trustee. In the event any such Bond has matured or been called for redemption, instead of issuing a substitute Bond, the Authority may direct the Trustee to pay the same at its maturity or redemption without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Authority.

Section 3.08. Exchangeability and Transfer of Bonds; Persons Treated as Owners. The Authority shall cause books for the registration and for the transfer of the Bonds as provided herein to be kept by the Registrar.

Subject to the provisions of Section 3.04 hereof relating to the registration of transfer of ownership of Book-Entry Bonds, Bonds may be registered as transferred on the books of registration kept by the Registrar by the holder in person or by his duly authorized attorney or legal representative, upon surrender thereof, together with a written instrument of transfer executed by the holder or his duly authorized attorney or legal representative. Upon surrender for registration of transfer of any Bond with all partial redemptions endorsed thereon at the principal office of the Registrar, the Authority shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same Series, maturity, interest rate, aggregate principal amount and tenor and of any Authorized Denomination and numbered consecutively in order of issuance according to the records of the Registrar.

In the event that any Bond with respect to which a notice of redemption has been given by the Trustee or a notice of mandatory tender for purchase has been given by the Trustee or such tender agent, if applicable to a Series of Bonds, is submitted to the Trustee for registration of transfer, then in addition to registering the transfer of such Bond, the Trustee shall deliver to

the new registered owner of such Bond a copy of such notice of redemption or mandatory tender, as the case may be.

Bonds may be exchanged at the principal office of the Registrar for an equal aggregate principal amount of Bonds of the same Series, maturity, interest rate, aggregate principal amount and tenor and of any Authorized Denomination. The Authority shall execute and the Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding.

Such registrations of transfer or exchanges of Bonds shall be without charge to the holders of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder of the Bond requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege.

The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal, redemption price or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The inclusion of the foregoing provisions shall constitute the appointment of the Registrar as agent for the Authority to do any and all things necessary to effect any exchange or registration of transfer.

All Bonds issued upon any registration of transfer or exchange of Bonds shall be legal, valid and binding special limited obligations of the Authority, evidencing the same debt, and entitled to the same security and benefits under this Indenture as the Bonds surrendered upon such registration of transfer or exchange.

In executing any Bond upon exchange or registration of transfer provided for in this Section, the Authority may rely conclusively on a representation of the Registrar or the Trustee that such execution is required.

Section 3.09. Destruction of Bonds. Whenever any Bonds shall be delivered to the Trustee for cancellation pursuant to this Indenture or any Supplemental Indenture, upon payment of the principal amount and interest represented thereby or for replacement pursuant to Section 3.07 hereof or exchange or transfer pursuant to Section 3.08 hereof, such Bond shall be cancelled and destroyed by the Trustee or the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Authority.

Section 3.10. Temporary Bonds. Pending the preparation of definitive Bonds of any Series, the Authority may execute, and upon its request in writing, the Trustee shall authenticate and deliver one or more printed, lithographed or typewritten temporary Bonds (including temporary Bonds printed by offset or photocopying). Temporary Bonds shall be issuable as registered Bonds without coupons, of any Authorized Denomination, and substantially in the form of definitive Bonds but with such omissions, insertions and variations as may be

appropriate for temporary Bonds, all as may be determined by the Authority. Temporary Bonds may contain such reference to any provisions of this Indenture or any Supplemental Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be authorized by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable the Authority shall execute and shall furnish definitive registered Bonds without coupons and thereupon temporary Bonds may be surrendered in exchange therefor without charge at the principal corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds.

Section 3.11. Issuance and Delivery of the Series 2019 Bonds. The Authority shall execute and deliver the Series 2019 Bonds to the Trustee, and the Trustee shall authenticate the Series 2019 Bonds and deliver them to the initial purchasers thereof as shall be directed by the Authority.

Prior to or simultaneously with the original delivery of the Series 2019 Bonds to the Trustee, there shall be filed with the Trustee:

(a) a copy, duly certified by the Executive Director, of the resolution of the Board authorizing the issuance of the Series 2019 Bonds;

(b) a copy, duly certified by the Executive Director, of the resolution of the Board authorizing the execution, delivery and performance of the Rental Car Lease and Operating Agreements;

(c) a copy, duly certified by the Executive Director, of the CFC Resolution;

(d) an original executed counterpart of this Indenture;

(e) a certificate of the Authorized Authority Representative stating that no Event of Default has occurred and remains uncured and all conditions precedent in the Indenture relating to the delivery of the 2019 Series Bonds has occurred;

(f) written instructions from the Authority to authenticate the Series 2019 Bonds and, upon receipt of the purchase price, to deliver the Series 2019 Bonds to or upon the order of the purchasers named in such instructions; and

(g) an opinion of Pullman & Comley, LLC, Bond Counsel, dated the date of issuance of the Series 2019 Bonds, to the effect that (i) the issuance of the Series 2019 Bonds has been duly authorized, (ii) the Series 2019 Bonds are valid and binding special limited obligations of the Authority in accordance with their terms, and (iii) the interest on the Series 2019 A Bonds is excludable from gross income of the recipient thereof for federal income tax purposes.

When the documents mentioned in clauses (a) through (g) above, shall have been filed with the Trustee and when such Series 2019 Bonds shall have been executed and authenticated, the Trustee shall deliver the Series 2019 Bonds to or upon the order of the purchasers thereof, but only upon payment by the purchasers of the purchase price of the Series 2019 Bonds.

Section 3.12. Authorization and Issuance of Additional Bonds.

(a) ***Requirements for Issuance of Additional Bonds***. Subsequent to the issuance of the Series 2019 Bonds, the Authority, subject to the provisions of this Section 3.12, may at any time and from time to time issue and deliver one or more Series of Additional Bonds on a parity with all Outstanding Bonds (including the Series 2019 Bonds) for such purposes hereinafter set forth as may be requested by the Authority; provided, that the issuance of any Series of Additional Bonds shall be conditioned upon the Trustee's receipt of the following:

(i) a copy, duly certified by the Executive Director, of the resolution of the Board authorizing the issuance of such Series of Additional Bonds;

(ii) an original executed counterpart or a copy, certified by the Executive Director, of this Indenture, together with all Supplemental Indentures (other than the Supplemental Indentures described in clause (iii) below);

(iii) an original executed counterpart of the Supplemental Indenture or Supplemental Indentures providing for the issuance of such Series of Additional Bonds;

(iv) a copy, duly certified by the Executive Director, of the CFC Resolution;

(v) a copy, duly certified by the Executive Director, of the form of Rental Car Lease and Operating Agreement entered into by the Rental Car Companies;

(vi) written instructions from the Authority to authenticate the Series of Additional Bonds and, upon receipt of the purchase price, to deliver the Series of Additional Bonds to or upon the order of the purchasers named in such instructions;

(vii) a certificate of the Authority stating that no Event of Default has occurred and is continuing and that all conditions precedent provided for in this Indenture relating to the authentication and delivery of such Additional Bonds have been complied with;

(viii) an opinion of Bond Counsel, dated the date of issuance of such Additional Bonds, to the effect that (i) the issuance of such Additional Bonds has been duly authorized, (ii) all legal conditions precedent to the delivery of such Additional Bonds have been fulfilled, (iii) such Additional Bonds are valid and

binding special limited obligations of the Authority in accordance with their terms, and (iv) if the interest on such Additional Bonds then proposed to be issued is intended to be exempt from federal income taxation, stating that the interest on such Additional Bonds is excludable from gross income of the recipient thereof for federal income tax purposes; and

(ix) unless such Additional Bonds are Completion Bonds or Refunding Bonds that comply with Section 3.12(b)(ii) hereof, either (A) a report of a Consultant to the effect that for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Additional Bonds during which no amount of interest on such Series of Additional Bonds required to be on deposit in the Debt Service Fund is expected to be funded from the proceeds thereof through and including the later of: (1) the fifth full Fiscal Year following the issuance of such Series of Additional Bonds, or (2) the third full Fiscal Year during which no amount of interest on such Series of Additional Bonds required to be on deposit in the Debt Service Fund is expected to be funded from the proceeds thereof, the projected CFC Revenue to be remitted to the Trustee (excluding any amounts projected to be on deposit in the Coverage Fund) for each such Fiscal Year, will be, as of the end of each such Fiscal Year, at least equal to 1.25 times the Maximum Aggregate Annual Debt Service on all Bonds Outstanding (including such Additional Bonds) during such Fiscal Year, and also will be sufficient, in each such Fiscal Year, after the funding of Aggregate Annual Debt Service on all Bonds Outstanding, to fund any other amounts required to be deposited from CFC Revenue to the Debt Service Reserve Fund, the Coverage Fund, the Administrative Costs Fund, the CFC Stabilization Fund and the Renewal and Replacement Fund as described in Section 5.10 hereof; or (B) a certificate of the Authority to the effect that the CFC Revenue remitted to the Trustee for any consecutive twelve (12) months out of the immediately preceding eighteen (18) months prior to the date of issuance of such Additional Bonds (excluding any amounts on deposit in the Coverage Fund) was at least equal to 1.25 times the Maximum Aggregate Annual Debt Service due on all Bonds Outstanding (including such Additional Bonds), and was also sufficient, after the funding of such Aggregate Annual Debt Service on all Bonds Outstanding, to fund any other amounts required to be deposited from CFC Revenue during such 12-month period to the Debt Service Reserve Fund, the Coverage Fund, the Administrative Costs Fund and the Renewal and Replacement Fund as described in Section 5.10 hereof.

(b) ***Refunding Bonds***. All Refunding Bonds of any Series shall be executed by the Authority and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only following the Trustee's receipt of the following:

(i) the documents referred to in Section 3.12(a)(i) through (viii) hereof;

(ii) (A) a certificate of the Authority substantially to the effect that either (1) after the issuance of the proposed Refunding Bonds, the Aggregate Annual Debt Service on all Outstanding Bonds (including the proposed Refunding Bonds) will be less than or equal to that for each Fiscal Year within which any of the refunded Bonds would have been Outstanding but for their having been refunded; or (2) that the refunding will reduce or not increase the total debt service payments on the refunded Bonds on a net present value basis; or (B) the report or the certificate described in Section 3.12(a)(ix) hereof;

(iii) if a redemption of Bonds is to be effected, irrevocable instructions to the Trustee to give due notice of redemption of all of the Bonds to be refunded and the redemption date or dates, if any, upon which such Bonds are to be redeemed;

(iv) if a redemption of Bonds is to be effected and the redemption is scheduled to occur subsequent to the next succeeding forty (40) days, irrevocable instructions to the Trustee to give notice of redemption of such Bonds as provided in this Indenture or the applicable Supplemental Indenture on a specified date prior to their redemption date, which notice may include language giving notice that such redemption is conditioned upon the receipt of sufficient amounts to effect such noticed redemption; and

(v) such further documents and moneys as are required by the provisions of Article VIII hereof or any Supplemental Indenture.

(c) ***Purposes for Additional Bonds***. The purposes for which Additional Bonds may be issued will be as set forth in a Supplemental Indenture providing for the issuance of such Additional Bonds.

(d) ***Terms of Additional Bonds.*** Each Series of Additional Bonds shall be dated, shall bear interest until their maturity at such rate or rates, determined in such manner and payable on such date or dates, shall be in such form and shall have such other terms and conditions not inconsistent with the terms of this Indenture as shall be provided for in the Supplemental Indenture authorizing the issuance of such Series of Additional Bonds. All Additional Bonds shall be payable and secured equally and ratably and on a parity (except as to timing of payment) with the Series 2019 Bonds and any Additional Bonds theretofore or thereafter issued and shall be entitled to the same benefits and security of this Indenture.

Each Series of Additional Bonds shall be issued pursuant to this Indenture and a Supplemental Indenture, which shall prescribe expressly or by reference with respect to such Series of Additional Bonds:

(i) the authorized principal amount and Series designation of such Series of Additional Bonds;

(ii) the purpose or purposes for which such Series is being issued;

(iii) the manner in which the proceeds of the Additional Bonds of such Series are to be applied;

(iv) the date or dates of the Additional Bonds of such Series, and the maturity date or dates and Interest Payment Dates of the Additional Bonds of such Series, or the manner of determining such dates;

(v) the interest rate or rates to be borne by the Additional Bonds of such Series or the manner of determining such rate or rates, the Maximum Rate for any Series of Bonds the interest rate on which is a Variable Rate and the Interest Payment Dates of such Series;

(vi) the manner of dating, numbering and lettering the Additional Bonds of such Series;

(vii) the place or places of payment of the principal and premium, if any, of, and interest on, the Additional Bonds of such Series or the manner of designating the same;

(viii) the redemption premium, if any, of, and the redemption terms for the Additional Bonds of such Series, or the manner of determining such premium and terms;

(ix) the amount and due date of each mandatory sinking fund payment, if any, for Additional Bonds of any maturity of such Series, or the manner of determining such amounts and dates;

(x) provisions as to registration of the Additional Bonds of such Series;

(xi) the form and text of the Additional Bonds of such Series and provision for the Trustee's authentication thereof by certificate or otherwise;

(xii) whether such Series of Additional Bonds are intended to be Tax-Exempt Bonds;

(xiii) the Credit Facilities and Liquidity Facilities applicable to such Series of Additional Bonds, if any; and

(xiv) any other provisions deemed advisable by the Authority as shall not conflict with the provisions hereof.

Section 3.13. Subordinate Bonds. Nothing herein shall prohibit the Authority from issuing bonds secured by CFC Revenue, Contingent Payments and Facility Payments which are subordinate to the Bonds or bonds secured by other funds lawfully available to the Authority.

Section 3.14. Repayment Obligations Afforded Status of Bonds. If a Credit Provider or Liquidity Provider makes payment of principal of and interest on a Bond or advances funds to purchase or provide for the purchase of Bonds and is entitled to reimbursement thereof, pursuant to a separate written agreement with the Authority, but is not reimbursed, the Authority's repayment obligation under such written agreement (the "Repayment Obligation") may, if so provided in the written agreement, be afforded the status of a Bond issued under Section 3.12 hereof, and, if afforded such status, the Credit Provider or Liquidity Provider shall be the Bondholder and such Bond, shall be deemed to have been issued at the time of the original Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of Section 3.12 hereof; provided, however, notwithstanding the stated terms of the Repayment Obligation, the payment terms of the Bond held by the Credit Provider or Liquidity Provider hereunder shall be as follows (unless otherwise provided in the written agreement with the Authority or a Supplemental Indenture pursuant to which the Bonds are issued): (a) interest shall be due and payable semiannually and (b) principal shall be due and payable not less frequently than annually and in such annual amounts as to amortize the principal amount thereof in (i) 30 years or, if shorter, (ii)(A) a term extending to the maturity date of the enhanced Bonds or (B) if longer, the final maturity of the Repayment Obligation under the written agreement, and providing substantially level debt service payments, using the rate of interest set forth in the written repayment agreement which would apply to the Repayment Obligation as of the date such amortization schedule is fixed. The principal amortized as described in the prior sentence shall bear interest in accordance with the terms of the Repayment Obligation. This provision shall not defeat or alter the rights of subrogation which any Credit Provider or Liquidity Provider may have under law or under this Indenture or any Supplemental Indenture. The Trustee may conclusively rely on a written certification by the Credit Provider or Liquidity Provider of the amount of such non-reimbursement and that such Repayment Obligation is to be afforded the status of a Bond, under this Indenture.

ARTICLE IV

REDEMPTION OF SERIES 2019 BONDS

Section 4.01. Notices to Holders. If the Authority wishes that any Series 2019 Bonds be redeemed pursuant to the provision of this Indenture, the Authority will notify the Trustee of the applicable provision, the Series of Series 2019 Bonds being redeemed, the redemption date, the maturity date, the interest rate, the CUSIP number and the principal amount of the Series 2019 Bonds to be redeemed and other necessary particulars. The Authority will give notice to the Trustee at least forty (40) days before the redemption date, provided that the Trustee may, at its option, waive such notice or accept notice at a later date. The Trustee shall give notice of redemption, in the name of the Authority, to Holders affected by redemption at least thirty (30) days but not more than sixty (60) days before each redemption date, send such notice of redemption by first class mail (or with respect to Series 2019 Bonds held by DTC by such means as required by DTC) to each Holder of a Series 2019 Bond to be redeemed. Each such notice shall be sent to the Holder's registered address.

Each notice of redemption shall specify the Series, the issue date, the maturity date, the interest rate and the CUSIP number of each Series 2019 Bond to be redeemed (if less than all Series 2019 Bonds of a Series, maturity date and interest rate are called for redemption the

numbers assigned to the Series 2019 Bonds to be redeemed), the principal amount to be redeemed, the date fixed for redemption, the redemption price (or the formula that will be used to calculate the redemption price on the redemption date), the place or places of payment, the Trustee's name, that payment will be made upon presentation and surrender of the Series 2019 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

The Authority may provide that, if at the time of mailing of notice of an optional redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Series 2019 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business one (1) Business Day prior to the scheduled redemption date, and such notice shall be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption shall be canceled and on such cancellation date notice shall be mailed to the Holders of such Series 2019 Bonds to be redeemed in the manner provided in this Section.

Failure to give any required notice of redemption as to any particular Series 2019 Bonds will not affect the validity of the call for redemption of any Series 2019 Bonds in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Series 2019 Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. In the event that funds are deposited with the Trustee sufficient for redemption, interest on the Series 2019 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

If any Series 2019 Bonds, at the time of redemption, are Book-Entry Bonds, then, at the time of the mailing required by the first paragraph of this Section, such redemption notice shall be given by (i) registered or certified mail, postage prepaid; (ii) telephonically confirmed facsimile transmission; or (iii) overnight delivery service, to:

The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099
Attention: Call Notification
Facsimile: (212) 855-7232

Failure to give the notice described in the immediately preceding paragraph or any defect therein shall not in any manner affect the redemption of any Series 2019 Bond.

Section 4.02. Redemption Dates. The date fixed for redemption of Series 2019 Bonds to be redeemed pursuant to any optional redemption provision as set forth in Sections 4.04 and 4.07 hereof or any extraordinary mandatory redemption provision as set forth in Section 4.03 hereof shall be a date permitted by the Authority in the notice delivered pursuant to Section 4.01

hereof. The date fixed for mandatory sinking fund redemptions of the Series 2019 Bonds will be as set forth in Sections 4.05 and 4.08 hereof.

Section 4.03. Extraordinary Mandatory Redemption of the Series 2019 Bonds. The Series 2019 Bonds shall be subject to extraordinary mandatory redemption at the direction of the Authority pursuant to Section 6.12(c) hereof, in whole or in part on the earliest date following the date for which notice of redemption can be given as provided in this Indenture, at a price equal to the principal amount of Series 2019 Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium, from Available Amounts and such other amounts permitted or required to be applied to such redemption under Section 6.12(c) hereof.

Section 4.04. Optional Redemption of the Series 2019 A Bonds. The Series 2019 A Bonds are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 2029 at a redemption price equal to 100% of the principal amount of the Series 2019 A Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Section 4.05. Mandatory Sinking Fund Redemption of the Series 2019 A Bonds.

(a) The Series 2019 A Bonds maturing on July 1, 2049, CUSIP No. 20773CAA4 are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Redemption Date	Principal Amount
2045	$ 500,000
2046	$4,525,000
2047	$4,750,000
2048	$4,990,000
2049*	$5,235,000

*Final Maturity.

(b) The Series 2019 A Bonds maturing on July 1, 2049, CUSIP No. 20773CAB2 are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Redemption Date	Principal Amount
2045	$ 500,000
2046	$3,510,000
2047	$3,655,000
2048	$3,795,000
2049*	$3,950,000

*Final Maturity.

(c) Except as otherwise provided in Section 3.04 hereof, on or before the forty fifth (45th) day prior to any mandatory sinking fund redemption date with respect to the Series 2019 A Bonds, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine) an aggregate principal amount of the Series 2019 A Bonds equal to the amount for such year as set forth in the tables above and shall call such aggregate principal amount of the Series 2019 A Bonds (in Authorized Denominations) for redemption and give notice of such call.

(d) In the event that a portion, but not all of the Series 2019 A Bonds are redeemed pursuant to optional redemption (as provided in Section 4.04 hereof), then the principal amount of any remaining mandatory sinking fund redemptions applicable to the Series 2019 A Bonds, as applicable, shall be proportionally reduced (subject to the Trustee making such adjustments as it deems necessary to be able to affect future redemptions of the Series 2019 A Bonds in Authorized Denominations).

(e) At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date for the Series 2019 A Bonds, it may (i) deliver to the Trustee for cancellation Series 2019 A Bonds (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (ii) specify a principal amount of the Series 2019 A Bonds (in Authorized Denominations) which prior to said date have been optionally redeemed pursuant to Section 4.04 hereof and previously cancelled by the Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Series 2019 A Bond so purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to pay the principal of the Series 2019 A Bond on such mandatory sinking fund redemption date. In the event the Authority redeems any of the Series 2019 A Bonds pursuant to Section 4.04 hereof, the Authority will provide the Trustee a revised mandatory sinking fund schedule.

Section 4.06. Selection of Series 2019 A Bonds for Redemption; Series 2019 A Bonds Redeemed in Part. The Series 2019 A Bonds are subject to redemption in such order of maturity and interest rate (except mandatory sinking fund payments on the Series 2019 A Bonds) as the Authority may direct and by lot within a maturity and interest rate, selected in such manner as the Trustee (or DTC, as long as DTC is the Securities Depository for the Series 2019 A Bonds) shall deem appropriate.

Upon surrender of a Series 2019 A Bond to be redeemed, in part only, the Trustee will authenticate for the holder a new Series 2019 A Bond, of the same maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2019 A Bond surrendered.

Section 4.07. Optional Redemption of the Series 2019 B Bonds. The Series 2019 B Bonds maturing on or after July 1, 2030 are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 2029 at a redemption price equal to 100% of the principal amount of the Series 2019 B Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Section 4.08. Mandatory Sinking Fund Redemption of the Series 2019 B Bonds.

(a) The Series 2019 B Bonds maturing on July 1, 2039 are subject to mandatory sinking fund redemption in part (in accordance with the procedures set forth in this Section 4.08 hereof), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Redemption Date	Principal Amount
2035	$5,100,000
2036	$5,315,000
2037	$5,535,000
2038	$5,760,000
2039*	$6,000,000

*Final Maturity.

(b) The Series 2019 B Bonds maturing on July 1, 2045 are subject to mandatory sinking fund redemption in part (in accordance with the procedures set forth in this Section 4.08 hereof), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Redemption Date	Principal Amount
2040	$6,245,000
2041	$6,515,000
2042	$6,795,000
2043	$7,085,000
2044	$7,390,000
2045*	$6,705,000

*Final Maturity.

(c) Except as otherwise provided in Section 3.04 hereof, on or before the forty fifth (45th) day prior to any mandatory sinking fund redemption date with respect to the Series 2019 B Term Bonds, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine) an aggregate

principal amount of the Series 2019 B Term Bonds equal to the amount for such year as set forth in the table above and shall call such aggregate principal amount of the Series 2019 B Term Bonds (in Authorized Denominations) for redemption and give notice of such call.

(d) In the event that a portion, but not all of the Series 2019 B Bonds are redeemed pursuant to optional redemption (as provided in Section 4.07 hereof), then the principal amount of any remaining mandatory sinking fund redemptions applicable to the Series 2019 B Term Bonds, as applicable, shall be proportionally reduced (subject to the Trustee making such adjustments as it deems necessary to be able to affect future redemptions of the Series 2019 B Bonds in Authorized Denominations).

(e) At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date for the Series 2019 B Term Bonds, as applicable, it may (i) deliver to the Trustee for cancellation Series 2019 B Term Bonds, as applicable, or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (ii) specify a principal amount of such Series 2019 B Term Bonds, as applicable, or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed pursuant to Section 4.07 hereof and previously cancelled by the Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2019 B Term Bond, as applicable, or portion thereof so purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to pay the principal of such Series 2019 B Term Bond on such mandatory sinking fund redemption date. In the event the Authority redeems any of the Series 2019 B Term Bonds pursuant to Section 4.07 hereof, the Authority will provide the Trustee a revised mandatory sinking fund schedule, if applicable.

Section 4.09. Selection of Series 2019 B Bonds for Redemption; Series 2019 B Bonds Redeemed in Part.

(a) If less than all of the Series 2019 B Bonds are called for prior redemption, the particular Series 2019 B Bonds or portions thereof to be redeemed shall be selected by the Trustee at the direction of the Authority on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Series 2019 B Bonds are Book-Entry Bonds, the selection for redemption of such Series 2019 B Bonds will be made in accordance with the operational arrangements of DTC then in effect. The Authority shall not provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Series 2019 B Bonds on such basis. If the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the

Series 2019 B Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

If the Series 2019 B Bonds are not Book-Entry Bonds and less than all of the Series 2019 B Bonds are to be redeemed, the Series 2019 B Bonds to be redeemed shall be selected by the Trustee at the direction of the Authority on a pro rata pass-through distribution of principal basis among all of the Holders of the Series 2019 B Bonds based on the principal amount of Series 2019 B Bonds owned by such Holders.

(b) Upon surrender of a Series 2019 B Bond to be redeemed, in part only, the Trustee will authenticate for the Holder a new Series 2019 B Bond of the same maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2019 B Bond surrendered.

Section 4.10. Payment of Series 2019 Bonds Called for Redemption. Upon surrender to the Trustee or the Trustee's agent, Series 2019 Bonds called for redemption shall be paid at the redemption price stated in the notice, plus, when applicable, interest accrued to the date fixed for redemption.

Section 4.11. Effect of Redemption Call. On the date so designated for redemption, notice having been given in the manner and under the conditions provided herein and sufficient moneys for payment of the redemption price being held in trust to pay the redemption price, the Series 2019 Bonds so called for redemption shall become and be due and payable on the redemption date, interest on such Series 2019 Bonds shall cease to accrue from and after such redemption date, such Series 2019 Bonds shall cease to be entitled to any lien, benefit or security under this Indenture and the Holders of such Series 2019 Bonds shall have no rights in respect thereof except to receive payment of the redemption price.

Series 2019 Bonds which have been duly called for redemption under the provisions of this Article IV and for the payment of the redemption price of which moneys shall be held in trust for the Holders of the Series 2019 Bonds to be redeemed, all as provided in this Indenture, shall not be deemed to be Outstanding under the provisions of this Indenture.

Section 4.12. Redemption of Additional Bonds. Additional Bonds shall be subject to redemption as provided in the Supplemental Indenture providing for the issuance of such Additional Bonds.

Section 4.13. Purchase in Open Market. Nothing contained herein shall be construed to limit the right of the Authority to purchase, with any excess moneys legally available to it, Bonds in the open market at a price not exceeding the then applicable redemption price (or if not then subject to optional redemption, the price to be applicable on the first optional redemption date.) Any such Bonds so purchased shall not be reissued and shall be cancelled.

Section 4.14. Purchase in Lieu of Optional Redemption. The Authority may purchase Bonds in lieu of redemption by delivering to the Trustee notice on or prior to the Business Day preceding the redemption date specifying that the Bonds will not be redeemed, but instead will be subject to purchase pursuant to this Section 4.14. Upon delivery of such notice,

the Bonds will not be redeemed but will instead be subject to mandatory tender at a purchase price equal to the redemption price at which the Bonds would have been redeemed on the date that would have been the redemption date; provided that the payment of funds from remarketing proceeds or funds from the Authority in an amount equal to the purchase price is made to the Trustee on or prior to the purchase date. Following such purchase, the Trustee will cause the Bonds to be registered upon the direction of the Authority and deliver such Bonds as directed by the Authority.

ARTICLE V

ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS; USE OF PROCEEDS OF SERIES 2019 BONDS AND OTHER AMOUNTS

Section 5.01. Establishment of Funds and Accounts.

(a) The Authority hereby instructs the Trustee, and the Trustee shall hereby establish and hold the following Funds and Accounts:

(i) Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) CFC Revenue Fund (herein referred to as the "CFC Revenue Fund");

(ii) Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Construction Fund (herein referred to as the "Construction Fund") and therein (A) a "Series 2019 A Construction Account," (B) a "Series 2019 B Construction Account," (C) a "Series 2019 A Costs of Issuance Account," (D) a "Series 2019 B Costs of Issuance Account," (E) a "CFC Project Account" and (F) a "Project Contribution Account";

(iii) Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Debt Service Fund (herein referred to as the "Debt Service Fund") and therein (A) a "Series 2019 A Debt Service Account" and (B) a "Series 2019 B Debt Service Account";

(iv) Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Debt Service Reserve Fund (herein referred to as the "Debt Service Reserve Fund") and therein (A) a "Series 2019 A Reserve Account" and (B) a "Series 2019 B Reserve Account";

(v) Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Coverage Fund (herein referred to as the "Coverage Fund");

(vi) Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Series 2019 A Rebate Fund (herein referred to as the "Series 2019 A Rebate Fund");

(vii) Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Renewal and Replacement Fund (herein referred to as the "Renewal and Replacement Fund");

(viii) Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) Administrative Costs Fund (herein referred to as the "Administrative Costs Fund"); and

(ix) Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) CFC Stabilization Fund (herein referred to as the "CFC Stabilization Fund").

(b) The Authority shall establish and hold the Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project) CFC Surplus Fund (herein referred to as the "CFC Surplus Fund"). The CFC Surplus Fund is not a pledged fund under the Indenture.

(c) All such Funds and Accounts shall be established, maintained and accounted for as hereinafter provided so long as any Bonds remain Outstanding. The CFC Revenue Fund, proceeds of Bonds on deposit in the Construction Fund (subject to any limitations set forth in the Series 2019 A Tax Certificate and any other tax compliance certificate entered into by the Authority with respect to the issuance of Additional Bonds that are Tax-Exempt Bonds and amounts encumbered or otherwise allocated by the Authority to or necessary for the completion of a Project) , the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, the Administrative Costs Fund, the Renewal and Replacement Fund and the CFC Stabilization Fund shall constitute trust funds which shall be held by the Trustee for the benefit of the Owners of the Bonds and are part of the Trust Estate for the Bonds. Notwithstanding the foregoing, the CFC Project Account, the Project Contribution Account and the CFC Surplus Fund do not constitute trust funds held for the benefit of the Owners of the Bonds and are not part of the Trust Estate for the Bonds. The Series 2019 A Rebate Fund and any other Rebate Fund established pursuant to a Supplemental Indenture do not constitute trust funds held for the benefit of the Owners of the Bonds and are not part of the Trust Estate for the Bonds. To the extent that the CFC Project Account, the Project Contribution Account, the CFC Surplus Fund and the Series 2019 A Rebate Fund or any other Rebate Fund shall be held by the Trustee, each such Fund or Account shall be held by the Trustee as a depositary for the Authority and not as trustee for the benefit of the Bondholders hereunder.

(d) The Authority reserves the right to establish, or instruct the Trustee to establish, additional Funds, sub-funds, Accounts and subaccounts, from time to time, under Supplemental Indentures, and any such Supplemental Indenture may provide that amounts on deposit in such Funds, sub-funds, Accounts and subaccounts shall be held by the Trustee for the sole and exclusive benefit of a particular Series of Bonds as may be specifically designated in such Supplemental Indenture.

Section 5.02. Application of Series 2019 Bonds Proceeds and Other Amounts.

(a) ***Application of Series 2019 A Bond Proceeds***. The proceeds of the sale of the Series 2019 A Bonds, being the amount of $38,591,893.55 (which sum represents the par amount of the Series 2019 A Bonds of $35,410,000, plus an original issue premium in the amount of $3,330,136.00, and less an underwriters' discount in the amount of $148,242.45) received by the Trustee shall be deposited by the Trustee on the Closing Date as follows:

(i) $1,984,580.00, representing Capitalized Interest, shall be deposited in the Series 2019 A Debt Service Account and shall be used to pay interest due and payable on the Series 2019 A Bonds on the following dates and in the following amounts:

Amounts and Dates to Pay Interest:

Payment Date	Interest Amount
July 1, 2019	$368,180
January 1, 2020	$808,200
July 1, 2020	$808,200

(ii) $3,383,540.57 shall be deposited into the Series 2019 A Reserve Account of the Debt Service Reserve Fund;

(iii) $0.00 shall be deposited into the Coverage Fund;

(iv) $90,320.98 shall be deposited into the Series 2019 A Costs of Issuance Account of the Construction Fund; and

(v) $33,133,452.00 shall be deposited into the Series 2019 A Construction Account of the Construction Fund to pay a portion of the Costs of the Project.

(b) ***Application of Series 2019 B Bond Proceeds***. The proceeds of the sale of the Series 2019 B Bonds minus the amount wired to the Bond Insurer, being the amount of $115,164,660.06 (which sum represents the par amount of the Series 2019 B Bonds of $115,690,000, less an underwriters' discount in the amount of $477,504.56 minus the amount of $47,835.38 which at the request of the Authority the underwriter will wire to the Bond Insurer) will be received by the Trustee and shall be deposited by the Trustee on the Closing Date as follows:

(i) $5,587,537.60, representing Capitalized Interest shall be deposited in the Series 2019 B Debt Service Account and shall be used to pay interest due and payable on the Series 2019 B Bonds on the following dates and in the following amounts:

Amount and Dates to Pay Interest:

Payment Date	Interest Amount
July 1, 2019	$1,036,602.00
January 1, 2020	$2,275,467.80
July 1, 2020	$2,275,467.80

(ii) $7,994,290.36 shall be deposited into the Series 2019 B Debt Service Reserve Account of the Debt Service Reserve Fund;

(iii) $2,402,672.59 shall be deposited into the Coverage Fund;

(iv) $267,266.09 shall be deposited into the Series 2019 B Costs of Issuance Account of the Construction Fund; and

(v) $98,912,893.42 shall be deposited into the Series 2019 B Construction Account of the Construction Fund, to pay a portion of the Costs of the Project.

(c) ***Application of CFC Revenue Previously Collected***. On the Closing Date, the Authority shall deposit or cause to be deposited to the CFC Project Account $46,328,853 of CFC Revenue (and earnings thereon) collected prior to the Closing Date, to, among other things described herein, pay a portion of the Costs of the Project.

(d) ***Deposit into Project Contribution Account***. On or before the date of delivery of the Completion Certificate in accordance with Section 6.09 hereof, the Authority may (but is not obligated to) deposit to the Project Contribution Account any moneys legally available to it to pay a portion of the costs of the Project.

Section 5.03. Construction Fund.

(a) ***Series 2019 A Construction Account and Series 2019 B Construction Account***.

(i) The Trustee shall make payments or disbursements from the Series 2019 A Construction Account and the Series 2019 B Construction Account upon receipt from the Authority of a written requisition, in substantially the form attached as Exhibit B-1 hereto, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the Series 2019 A Construction Account or the Series 2019 B Construction Account, as the case may be, (ii) the number of the requisition, (iii) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made, (iv) that the amount to be paid represents Costs of the

Project, and (v) with respect to the Series 2019 A Construction Account, that the amounts requisitioned will be expended only in accordance with and subject to the limitations set forth in the Series 2019 A Tax Certificate. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein, and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(ii) Moneys held in the Series 2019 A Construction Account and the Series 2019 B Construction Account shall be invested and reinvested as directed in writing to the Trustee by an Authorized Authority Representative in Permitted Investments. Earnings on the Series 2019 A Construction Account shall be retained in the Series 2019 A Construction Account and earnings on the Series 2019 B Construction Account shall be retained in the Series 2019 B Construction Account.

(iii) Following the delivery of the Completion Certificate by the Authority to the Trustee in accordance with Section 6.09 hereof, any amounts remaining in the Series 2019 A Construction Account shall be transferred to the Series 2019 A Debt Service Account and applied to pay principal of or interest on the Series 2019 A Bonds as the same next come due; provided, however, that any amounts certified to the Trustee by the Authority shall be retained within the Series 2019 A Construction Account for payment of Costs of the Project not yet due and payable. As a condition to the retention of such amounts in the Series 2019 A Construction Account, there shall be delivered to the Trustee with the certificate of the Authority, an opinion of Bond Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used and that such use shall not result in the inclusion of interest on any Series 2019 A Bonds in gross income of the recipient thereof for federal income tax purposes. Any such retained funds remaining after full payment of all such costs shall likewise be transferred to the Series 2019 A Debt Service Account and applied to pay principal of or interest on the Series 2019 A Bonds upon the written direction of the Authority.

(iv) Following the delivery of the Completion Certificate by the Authority to the Trustee in accordance with Section 6.09 hereof, any amounts remaining in the Series 2019 B Construction Account shall be transferred to the Series 2019 B Debt Service Account and applied to pay principal of or interest on the Series 2019 B Bonds as the same next come due; provided, however, that any amounts certified to the Trustee by the Authority shall be retained within the Series 2019 B Construction Account for payment of Costs of the Project not yet due and payable. Any such retained funds remaining after full payment of all such costs shall likewise be transferred to the Series 2019 B Debt Service Account and applied to pay principal of or interest on the Series 2019 B Bonds upon the written direction of the Authority.

(b) ***Series 2019 A Costs of Issuance Account and Series 2019 B Costs of Issuance Account***.

(i) The Trustee shall make payments or disbursements from the Series 2019 A Costs of Issuance Account and the Series 2019 B Costs of Issuance Account upon receipt from the Authority of a written requisition, in substantially the form attached hereto as Exhibit B-2, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the Series 2019 A Costs of Issuance Account or the Series 2019 B Costs of Issuance Account, as the case may be, (ii) the number of the requisition, (iii) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made and (iv) a description of the costs of issuance represented by such payment. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein, and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(ii) Moneys held in the Series 2019 A Costs of Issuance Account and the Series 2019 B Costs of Issuance Account shall be invested and reinvested as directed in writing by an Authorized Authority Representative to the Trustee in Permitted Investments.

(iii) Earnings on the Series 2019 A Costs of Issuance Account shall be deposited into the Series 2019 A Construction Account. Any amounts remaining in the Series 2019 A Costs of Issuance Account on October 8, 2019 shall be transferred to the Series 2019 A Construction Account, and the Series 2019 A Costs of Issuance Account shall be closed.

(iv) Earnings on the Series 2019 B Costs of Issuance Account shall be deposited into the Series 2019 B Construction Account. Any amounts remaining in the Series 2019 B Costs of Issuance Account on April 8, 2020 shall be transferred to the Series 2019 B Construction Account, and the Series 2019 B Costs of Issuance Account shall be closed.

(c) ***CFC Project Account***.

(i) The Trustee shall make payments or disbursements from the CFC Project Account upon receipt from the Authority of a written requisition, in substantially the form attached as Exhibit B-1 hereto, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the CFC Project Account, (ii) the number of the requisition, (iii) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made, and (iv) that the amount to be paid represents Costs of the Project and is expended in accordance with applicable tax requirements. Each such requisition shall be sufficient evidence to the Trustee of the facts stated

therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(ii) Moneys held in the CFC Project Account shall be invested and reinvested as directed in writing by an Authorized Authority Representative to the Trustee in Permitted Investments. Earnings on the CFC Project Account shall be retained in the CFC Project Account.

(iii) Following the delivery of the Completion Certificate by the Authority to the Trustee in accordance with Section 6.09 hereof, any amounts remaining in the CFC Project Account shall be transferred to the Authority.

(d) ***Project Contribution Account***.

(i) The Trustee shall make payments or disbursements from the Project Contribution Account upon receipt from the Authority of a written requisition, in substantially the form attached as Exhibit B-1 hereto, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the Project Contribution Account, (ii) the number of the requisition, (iii) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made and, (iv) that the amount to be paid represents Costs of the Project and is expended in accordance with applicable tax requirements. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein, and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(ii) Moneys held in the Project Contribution Account shall be invested and reinvested as directed in writing by an Authorized Authority Representative to the Trustee in Permitted Investments. Earnings on the Project Contribution Account shall be retained in the Project Contribution Account.

(iii) Following the delivery of the Completion Certificate by the Authority to the Trustee in accordance with Section 6.09 hereof, any amounts remaining in the Project Contribution Account shall be transferred to the Authority.

(e) ***Additional Bonds***. Upon issuance of any Series of Additional Bonds, additional Accounts within the Construction Fund may be created, and the funds within such Accounts applied, as may be provided in the Supplemental Indenture entered into in connection with the issuance of such Bonds.

(f) ***Insurance Proceeds and Condemnation Awards***. In the event that any proceeds of casualty insurance policies or condemnation awards are delivered to the Trustee pursuant to Section 6.12(c) hereof for the purpose of financing the repair, reconstruction, restoration or replacement of the Project, the Trustee shall establish the Insurance and Condemnation Proceeds Account in the Construction Fund and deposit such funds into the Insurance and Condemnation Proceeds

Account and shall disburse such funds as provided in Sections 5.03(a)(i) and 6.12(c) hereof. Any amounts remaining after the completion of any such restoration and provision for all costs thereof (as the same are certified by the Authority to the Trustee) shall be deposited in the applicable Account or Accounts within the Debt Service Fund upon the direction of the Authority and applied to the payment of principal of or interest on the Bonds next coming due.

Section 5.04. CFC Revenue Fund; Flow of Funds.

(a) Unless specifically directed otherwise in this Indenture, all Project Revenues received by the Trustee shall be deposited upon receipt to the CFC Revenue Fund.

(b) From and after the issuance and delivery of the Series 2019 Bonds, the Authority shall deposit, or cause to be deposited, to the credit of the CFC Revenue Fund on the twentieth day of each month (or if such twentieth day is not a Business Day, then the Business Day preceding such twentieth day) all CFC Revenue, Contingent Payments and Facility Payments, if any, received during the preceding month. Amounts in the CFC Revenue Fund on and after the issuance of the Series 2019 Bonds shall be applied and transferred at the direction of the Authority, as more fully set forth below, to the following Funds in the following order of priority and in the amounts set forth in this Article:

(i) First, to the Debt Service Fund to pay principal and interest on the Bonds, as provided in Section 5.05 hereof;

(ii) Second, to the Debt Service Reserve Fund to satisfy, to the extent necessary, the Debt Service Reserve Fund Requirement as provided in Section 5.06 hereof;

(iii) Third, to the Coverage Fund to satisfy, to the extent necessary, the Coverage Fund Requirement as provided in Section 5.07 hereof;

(iv) Fourth, to the Rebate Fund if necessary and as required by the applicable Tax Certificate, as provided in Section 5.09 hereof;

(v) Fifth to the Administrative Costs Fund to satisfy, the Administrative Costs Requirement, as provided in Section 5.08 hereof;

(vi) Sixth to the Renewal and Replacement Fund to satisfy the Renewal and Replacement Requirement, as provided in Section 5.10 hereof;

(vii) Seventh, prior to the Commencement Date, to the CFC Project Account;

(viii) Eighth, to the CFC Stabilization Fund, an amount as determined by the Authority; and

(ix) Ninth, the balance to the CFC Surplus Fund to be used as provided in Section 5.12 hereof.

Section 5.05. Debt Service Fund.

(a) On or before the twenty-sixth day of each month after the issuance and delivery of the Series 2019 Bonds, there shall be deposited into the Debt Service Fund an amount equal to one-sixth (1/6th) of the amount necessary to pay all interest due and payable on the next Interest Payment Date taking into account any amounts therein which may be used to pay interest and one-twelfth (1/12th) of the amount necessary to pay all principal due and payable on the next Principal Payment Date taking into account any amounts therein which may be used to pay principal.

(b) Prior to each Interest Payment Date or Principal Payment Date, there shall be deposited from Pledged Funds any additional amounts necessary to increase the balance in the Debt Service Fund to be sufficient to make such payments on such Interest Payment Date or Principal Payment Date. Such additional amounts, if necessary, shall be transferred first from the CFC Stabilization Fund, second from the Coverage Fund, third from the Renewal and Replacement Fund and fourth from the Debt Service Reserve Fund.

(c) Moneys deposited to the credit of the Debt Service Fund shall be used solely for the purpose of paying principal of (either at maturity or prior redemption) and interest on the Bonds or reimbursing credit providers including the Bond Insurer for amounts advanced for such purpose.

Section 5.06. Debt Service Reserve Fund.

(a) The Authority shall satisfy the Debt Service Reserve Fund Requirement at the time of the issuance of each series of Bonds and the Debt Service Reserve Fund shall be replenished as set forth below.

(b) In the event the balance in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement, then on or before the twenty-sixth day of each month, after making all prior required transfers from the CFC Revenue Fund as provided in Section 5.04(b)(i) hereof, there shall be transferred from the CFC Revenue Fund to the Debt Service Reserve Fund, to the extent available in the CFC Revenue Fund, one sixth of the amount of such shortfall, such that the Debt Service Reserve Fund Requirement shall be fully funded after six months.

(c) Subject to and in accordance with Section 5.05(b) hereof, at any time that there are insufficient funds available in the Debt Service Fund to make any required payment of interest on or principal of the Bonds, or to reimburse any Credit Providers for amounts advanced for such purpose, there shall be transferred from the Debt Service Reserve Fund to the Debt Service Fund such amounts as may be necessary for such purpose.

(d) Amounts in the Debt Service Reserve Fund shall be applied as provided herein, and may, at the direction of an Authorized Authority Representative, be applied to the final payment of principal and interest on any Outstanding series of Bonds. Further, amounts in the Debt Service Reserve Fund, to the extent they are in excess of the Debt Service Reserve Fund Requirement, may be transferred, at the direction of an Authorized Authority Representative at any time to the CFC Revenue Fund.

Section 5.07. Coverage Fund.

(a) From the proceeds of each series of Bonds, there shall be deposited to the credit of the Coverage Fund an amount equal to the Coverage Fund Requirement for all Bonds then Outstanding less any amounts already then on deposit therein.

(b) On or before the twenty-sixth day of each month, after making all prior transfers from the CFC Revenue Fund as provided in Section 5.04(b) (i) and (ii) hereof, there shall be transferred by the Trustee from the CFC Revenue Fund to the Coverage Fund, to the extent available in the CFC Revenue Fund, an amount equal to the Coverage Fund Requirement, as determined by the Authority, minus amounts already then on deposit in the Coverage Fund.

(c) Subject to and in accordance with Section 5.05(b), amounts in the Coverage Fund shall be transferred to the Debt Service Fund to the extent required to pay principal and/or interest on Bonds as the same become due and payable.

Section 5.08. Administrative Costs Fund

(a) On or before the twenty-sixth day of each month after making all prior transfers from the CFC Revenue Fund as provided in Section 5.04(b) (i) through (iv) hereof, there shall be transferred by the Trustee from the CFC Revenue Fund to the Administrative Costs Fund an amount equal to one-twelfth (1/12th) of the Administrative Costs Requirement, as determined by the Authority, for the ensuing Fiscal Year.

(b) Amounts on deposit in the Administrative Costs Fund shall be applied by the Trustee to pay its fees and any other administrative fees required or contemplated by this Indenture, only as directed by an Authorized Authority Representative.

Section 5.09. Rebate Funds. The Series 2019 A Rebate Fund will be funded if so required pursuant to the Series 2019 A Tax Certificate, and amounts in the Series 2019 A Rebate Fund shall be held and disbursed in accordance with the Series 2019 A Tax Certificate. Earnings on the Series 2019 A Rebate Fund shall be withdrawn and deposited to the Series 2019 A Debt Service Account. At the time of issuance of additional Tax-Exempt Bonds, the Supplemental Indenture(s) entered into in connection with the issuance of such Tax-Exempt Bonds and the tax

compliance certificate(s) entered into with respect to such Tax-Exempt Bonds shall require the establishment, maintenance and funding of additional Rebate Funds.

Section 5.10. Renewal and Replacement Fund.

(a) On or before the twenty-sixth day of each month, after making all prior transfers from the Revenue Fund as provided in Section 5.04(b) (i) through (v) hereof, there shall be transferred by the Trustee from the Revenue Fund to the Renewal and Replacement Fund an amount equal to one-twelfth of the Renewal and Replacement Requirement, as determined by the Authority. Funds in the Renewal and Replacement Fund may be used to pay the maintenance, repair, expansion or replacement of the Project only as directed by an Authorized Authority Representative.

(b) Subject to and in accordance with Section 5.05(b), amounts in the Renewal and Replacement Fund shall be transferred to the Debt Service Fund to the extent required to pay principal and/or interest on Bonds as the same become due and payable.

Section 5.11. CFC Stabilization Fund.

(a) On or before the twenty-sixth day of each month, after making all prior transfers from the CFC Revenue Fund as provided in Section 5.04 (b) (i) through (vii) hereof, the remaining balance of the CFC Revenue Fund may be transferred to the CFC Stabilization Fund upon, and in accordance with the Direction of the Authority. Subject to Section 5.05(b), to the extent that any balances in the CFC Stabilization Fund exceed the greater of $5,000,000 or an amount determined by the Authority, the Authority may transfer, in its discretion, such amounts to the CFC Surplus Fund.

(b) Subject to and in accordance with Section 5.05(b), amounts in the CFC Stabilization Fund shall be transferred to the Debt Service Fund to the extent required to pay principal and/or interest on Bonds as the same become due and payable

Section 5.12. CFC Surplus Fund.

(a) After making all prior required transfers from the CFC Revenue Fund in accordance with Section 5.04(b) hereof, the Trustee shall transfer to the Authority the remaining balance for deposit into the CFC Surplus Fund. Moneys in the CFC Surplus Fund may be used after the Completion Date, at the reasonable discretion of the Authority, for any lawful purpose at the Airport, including the reimbursement of any funds advanced by the Authority to cover Project Costs; to repay any Contingent Payments and Facility Payments, to pay common areas operation and maintenance expenses, or to pay other items as determined by the Authority in its sole and reasonable discretion.

(b) Earnings on the CFC Surplus Fund shall be transferred to the CFC Revenue Fund.

Section 5.13. Authorized Application of Funds; Moneys To Be Held in Trust.

(a) The Trustee is authorized to apply each Fund as provided in this Indenture. Except for the moneys held in the CFC Project Account, the Project Contribution Account, the CFC Surplus Fund and the Rebate Fund, all moneys deposited with the Trustee hereunder shall be held by the Trustee in trust.

(b) The Authority is authorized to apply the CFC Surplus Fund as provided in this Indenture. All moneys deposited to the CFC Surplus Fund hereunder shall be held by the Authority but need not be segregated from other funds.

Section 5.14. Moneys Held in Trust for Matured Bonds; Unclaimed Moneys. All moneys which shall have been withdrawn from the Debt Service Fund and set aside or deposited with a Paying Agent for the purpose of paying any of the Bonds, either at the maturity thereof or upon call for redemption, or which are set aside by the Trustee for such purposes and for which Bonds the maturity date or redemption date shall have occurred, shall be held in trust for the respective holders of such Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the holders of such Bonds for a period of one year after the date on which such Bonds shall have become due and payable (or such longer period as shall be required by State law) shall be paid to the Authority, and thereafter the holders of such Bonds shall look only to the Authority for payment and the Authority shall be obligated to make such payment, but only to the extent of the amounts so received without any interest thereon, and neither the Trustee nor any Paying Agent shall have any responsibility with respect to any of such moneys. The Authority hereby recognizes that while any Bonds are Outstanding in book-entry only form there should be no unclaimed moneys.

Section 5.15. Disposition of Moneys After Payment of all Bonds. Any amounts remaining in any fund or account established under this Indenture after payment in full of the principal of, redemption premium, if any, and interest on, the Bonds shall be paid to the Authority.

ARTICLE VI

REPRESENTATIONS AND AGREEMENTS OF THE AUTHORITY

Section 6.01. Due Organization and Authorization of Bonds. **The Authority represents and warrants as follows:**

(a) The Authority is a body politic and corporate constituting a public instrumentality and political subdivision of the State, organized and existing pursuant to the provisions of the Constitution of the State and the Act, with the power under and pursuant to the Act, to execute and deliver this Indenture and the Bonds, to perform its obligations under each thereof and to issue the Series 2019 Bonds pursuant thereto.

(b) The Authority has taken all necessary action, and has complied with all provisions of the Act, required to make this Indenture the valid and binding obligation of the Authority, and, when executed, this Indenture (assuming the due authorization, execution and delivery by the Trustee) will constitute the valid and legally binding obligations of the Authority, enforceable in accordance with its terms, except as such enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles whether or not sought, and to the exercise of judicial discretion.

(c) When executed and delivered by the Authority, authenticated by the Trustee and paid for by the purchasers thereof, the Series 2019 Bonds will constitute valid and binding special limited obligations of the Authority, enforceable in accordance with their terms, except as such enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles whether or not sought, and to the exercise of judicial discretion.

(d) The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Series 2019 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2019 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, and this Indenture, to issue the Series 2019 Bonds in the form and manner provided herein for the purpose of providing funds to finance or pay for and construct the Project, and that the Series 2019 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

Section 6.02. Reserved.

Section 6.03. Payment of Bonds. The Authority covenants and agrees that it will duly and punctually pay or cause to be paid from the Trust Estate and to the extent thereof the principal of, premium, if any, and interest on every Bond at the place and on the dates and in the manner herein, in the Supplemental Indentures and in the Bonds specified, according to the true intent and meaning thereof, and that it will faithfully do and perform all covenants and agreements herein and in the Bonds contained, provided that the Authority's obligation to make payment of the principal of, premium, if any, and interest on the Bonds shall be limited to payment from the Trust Estate and no Bondholder shall have any right to enforce payment from any other funds of the Authority.

Section 6.04. Performance of Covenants by Authority. The Authority covenants that it will faithfully perform at all times any and all covenants and agreements contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto.

Section 6.05. Maintenance of Powers. The Authority covenants that it will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to the Act and all other laws and that it will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to delay either the payment of the indebtedness evidenced by any of the Bonds or the performance or observance of any of the covenants herein contained.

Section 6.06. Rights of Authority; Enforcement of Rental Car Lease and Operating Agreements.

(a) It is understood and agreed that the Authority's execution and delivery of this Indenture, the Authority's issuance of the Bonds and the terms and provisions of this Indenture, the Bonds and any other agreement or instrument are without prejudice to and shall not prohibit, restrict or derogate in any way any rights of the Authority as operator of the Airport System. Notwithstanding any provision thereof to the contrary, the Authority, by executing this Indenture, the Bonds or any other such agreement or instrument to which the Authority may be or hereafter become a party in connection with this Indenture or the Bonds, is under no obligation, express or implied, to the Trustee, the Bondholders or any other Person to exercise or to refrain from exercising any right which the Authority may have now or hereafter under any Rental Car Lease and Operating Agreement or from exercising any right, remedy or responsibility which the Authority may have now or hereafter as operator of the Airport System, regardless of the effect of such exercise or non-exercise upon the rights and interests of the Trustee, the Bondholders or any other Person under this Indenture, the Bonds or any other such agreement or instrument.

(b) Notwithstanding the provisions of Section 6.06(a) hereof, the Authority covenants that so long as any of the Bonds remain Outstanding, it will require all Rental Car Companies to collect and remit CFC Revenue and remit Facility Payments and Contingent Payments to the Trustee, as assignee of the Authority.

(c) The Authority hereby covenants (i) at all times to use its best efforts to grant sufficient rental car concessions to rental car companies so that CFC Revenue, Contingent Payments and Facility Payments shall be sufficient to meet the Minimum Annual Requirement and the Bonds Coverage Requirement.

Section 6.07. Collection of Customer Facility Charges; Rate Covenant (Minimum Annual Requirement) and Bonds Coverage Requirement.

(a) In accordance with the CFC Resolution and the Rental Car Lease and Operating Agreements, as long as any Bond remains Outstanding, the Authority shall require each Rental Car Company to charge, collect and remit to the Trustee, as assignee of the Authority, CFC Revenue in accordance with the CFC Resolution and the Rental Car Lease and Operating Agreements, and the Authority shall enforce the duty of the Rental Car Companies to segregate such

CFC Revenue as trust funds for the benefit of the Authority, and not as revenues of the Rental Car Companies, as provided in the Rental Car Lease and Operating Agreements. Additionally, prior to the Commencement Date, in accordance with the CFC Resolution, as long as any Bond remains Outstanding, the Authority shall require any Person or Persons operating a rent-a-car business at the Airport that has entered into a Rental Car Lease and Operating Agreement to charge, collect and remit to the Trustee, as assignee of the Authority, CFC Revenue in accordance with the CFC Resolution, and the Authority shall enforce the duty of such Persons to segregate such CFC Revenue as trust funds for the benefit of the Authority, and not as revenues of such Persons. The Authority shall direct and require the Rental Car Companies (and prior to the Commencement Date, each Person operating a rent-a-car business at the Airport that has entered into an On Airport Service Center Site Interim Lease and Operating Agreement or Off Airport Car Rental Operating Agreement) to commence remittance of the CFC Revenue to the Trustee on April 20, 2019.

The Authority shall require each Rental Car Company to make monthly Facility Payments in equal installments to the Trustee, as assignee of the Authority, on or after the Commencement Date as provided in each Rental Car Lease and Operating Agreement in an amount, such that the total amount of Facility Payments received from the Rental Car Companies equals in the aggregate $3,300,000 in each year.

The Authority shall require each Rental Car Company to make its pro rata share of Contingent Payments to the Trustee, as assignee of the Authority, on the first day of the month following 30 days notice from the Authority as provided in each Rental Car Lease and Operating Agreement for so long as each Rental Car Lease and Operating Agreement is in effect in an amount, in the aggregate, that the Authority projects to be sufficient, together with CFC Revenue and Facility Payments projected to be collected in such Fiscal Year or portion thereof during such Fiscal Year or portion thereof, to provide sufficient funds to meet the Net CFC Deficiency for such Fiscal Year.

(b) As long as any of the Bonds remain Outstanding, each Fiscal Year the sum of (1) CFC Revenue remitted by the Rental Car Companies (and prior to the Commencement Date, each Person operating a rent-a-car business at the Airport that has entered into an On Airport Service Center Site Interim Lease and Operating Agreement or Off Airport Car Rental Operating Agreement) to the Trustee, as assignee of the Authority, during such Fiscal Year, (2) amounts transferred from the CFC Revenue Fund to meet the funding requirements set forth in the FIRST through SEVENTH clauses of Section 5.04(b) hereof during such Fiscal Year, (3) earnings received by the Trustee from investments held in the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, the Renewal and Replacement Fund and the CFC Stabilization Fund during such Fiscal Year, and (4) the amount of Contingent Payments and Facility Payments remitted by the Rental Car Companies to the Trustee, as assignee of the Authority, during such Fiscal Year, if any, shall be no less than: (i) the aggregate amount required to be on deposit in the Debt Service Fund during the current Fiscal Year to satisfy the funding requirements for the payment of principal and

interest becoming due and payable on the Bonds during such Fiscal Year; (ii) the deposits, if any, required to be made to the Debt Service Reserve Fund pursuant to the SECOND clause of Section 5.04(b) hereof, (iii) the deposits, if any, required to be made to the Coverage Fund pursuant to the THIRD clause of Section 5.04(b) hereof, (iv) the deposits, if any, required to be made to the Rebate Funds pursuant to the FOURTH clause of Section 5.04(b) hereof, (v) the Administrative Costs Requirement to be incurred during such Fiscal Year as described in the FIFTH clause of Section 5.04(b) hereof, and (vi) the deposits, if any, required to be made to the Renewal and Replacement Fund pursuant to the SIXTH clause of Section 5.04(b) hereof, (collectively, the sum of the amounts required by clauses (i) through (vi) above, are defined herein as the "Minimum Annual Requirement").

(c) Additionally, as long as any of the Bonds remain Outstanding, each Fiscal Year the sum of (1) CFC Revenue remitted by the Rental Car Companies (and prior to the Commencement Date, each Person operating a rent-a-car business at the Airport that has entered into an On Airport Service Center Site Interim Lease and Operating Agreement or Off Airport Car Rental Operating Agreement) to the Trustee, as assignee of the Authority, during such Fiscal Year, (2) amounts transferred from the CFC Stabilization Fund to meet the funding requirements set forth in the FIRST clause of Section 5.04(b) hereof during such Fiscal Year, (3) earnings received by the Trustee from investments held in the Debt Service Fund, the Debt Service Reserve Fund, the CFC Stabilization Fund, the Renewal and Replacement Fund and the Coverage Fund during such Fiscal Year, (4) the amount of Contingent Payments and the Facility Payments remitted by the Rental Car Companies to the Trustee, as assignee of the Authority, during such Fiscal Year, if any, and (5) the amount on deposit in the Coverage Fund at the beginning of such Fiscal Year (up to an amount not to exceed 25% of the Aggregate Annual Debt Service on the Bonds for such Fiscal Year) shall be no less than 1.25 times the Aggregate Annual Debt Service on the Bonds for such Fiscal Year (the "Bonds Coverage Requirement").

(d) In the event that the Minimum Annual Requirement or the Bonds Coverage Requirement is not met in a Fiscal Year, such violation shall not be a default under this Indenture and shall not give rise to a declaration of an Event of Default (unless the principal of, premium, if any, on, interest on or purchase price of the Bonds is not paid in such Fiscal Year) if, the Authority takes appropriate corrective actions (including increasing the Contingent Payments for the next succeeding Fiscal Year) so that the Minimum Annual Requirement and the Bonds Coverage Requirement shall be met in the next succeeding Fiscal Year; provided, however, that if the Minimum Annual Requirement or the Bonds Coverage Requirement is not met in the next succeeding Fiscal Year, an Event of Default may be declared pursuant to Section 9.01(d) hereof.

(e) The Authority shall comply in all respects with all of the provisions of Article 6 of the Rental Car Lease and Operating Agreements with

respect to the collection, providing estimates and reporting of Contingent Payments and Facility Payments.

(f) The Authority hereby covenants to amend and adjust the CFC so that the CFC Revenue together with Contingent Payments and Facility Payments, meet the Minimum Annual Requirement and the Bonds Coverage Requirement.

Section 6.08. Preservation of Tax Exemption on Series 2019 A Bonds.

(a) The Authority shall comply with the covenants and agreements set forth in the Series 2019 A Tax Certificate.

(b) The Authority shall not use or permit the use of any proceeds of the Series 2019 A Bonds or any other funds of the Authority held by the Trustee under this Indenture allocable to the Series 2019 A Bonds, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Authority or the Trustee with respect to the Series 2019 A Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Series 2019 A Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code or an "arbitrage bond" within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder and under Sections 103(c) and 142(a) of the Code. The Authority shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. In the event the Authority is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Trustee or to use such money in certain manners, in order to avoid the Series 2019 A Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Series 2019 A Bonds at such time, the Authority shall issue to the Trustee a certificate to such effect together with appropriate instructions, in which event the Trustee shall take such action as it is directed to take to use such money in accordance with such certificate and instructions, irrespective of whether the Trustee shares such opinion.

(c) The Authority shall at all times do and perform all acts and things permitted by law and this Indenture which are necessary or desirable in order to assure that interest paid on the Series 2019 A Bonds will not be included in gross income for federal income tax purposes and shall take no action that would result in such interest being included in gross income for federal income tax purposes.

Section 6.09. Construction of the Project. Subject to the availability of proceeds of Bonds, CFC Revenue and Net Proceeds (as hereinafter defined), the Authority shall use diligent efforts to cause the Project to be constructed and completed and shall cause to be done all things necessary or proper for completion of the Project in a timely manner in material compliance with all Laws. Upon completion of the Project, the Authority shall deliver a Completion Certificate to the Trustee which shall include the Completion Date.

Section 6.10. Operation and Maintenance of the Project. Subject to Section 6.12 hereof, as long as any Bond remains Outstanding, the Authority shall operate and maintain the Project, or cause the Project to be operated and maintained, in good condition for the purposes for which it was constructed, reasonable wear and tear excepted.

Section 6.11. Insurance. Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions:

(a) The Authority shall procure and maintain or cause to be procured and maintained commercial insurance with respect to the Project and public liability insurance in the form of commercial insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Authority, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance provided by similar airports; and

(b) The Authority shall place on file with the Trustee, annually within 120 days after the close of each Fiscal Year, a certificate containing a summary of all insurance policies then in effect with respect to the Project. The Trustee may conclusively rely upon such certificate and shall not be responsible for the sufficiency or adequacy of any insurance required herein or obtained by the Authority. The Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Authority, or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur.

(c) The Net Proceeds paid in satisfaction of any claim made under policies providing the coverage required by this Section 6.11 shall be applied as provided in Section 6.12 hereof.

Section 6.12. Casualty and Condemnation.

(a) In the event that the Project, or any portion thereof is damaged, taken or condemned, the net proceeds of insurance (including without limitation self-insurance) or condemnation award shall be applied as set forth in this Section 6.12.

(b) If the proceeds of an insurance or condemnation award with respect to the Project, net of the reasonable costs, fees and expenses incurred by the Authority in the collection of such proceeds or award and any proceeds paid to a Rental Car Company (the "Net Proceeds") are less than $250,000, the Net Proceeds shall be paid directly to the Authority and shall be applied by the Authority promptly to the costs of restoring the Project. Any Net Proceeds remaining after the restoration of the Project shall be deposited first by the Authority, to the applicable Account or Accounts within the Debt Service Fund and applied to the payment of principal of or interest on the Bonds.

(c) If the Net Proceeds are greater than or equal to $250,000, the Net Proceeds shall be paid to the Trustee and deposited to the Insurance and Condemnation Proceeds Account in the Construction Fund, as set forth in Section 5.03(f) hereof, and disbursed in the same manner and subject to the same

conditions and limitations relating to the disbursement of funds from the Construction Fund, as set forth in Section 5.03(a)(i) hereof. In the event that the Net Proceeds are insufficient to restore and repair the Project as nearly as is reasonably possible to the condition it was in immediately prior to a casualty in the case of any casualty or to a condition, in the case of any Taking, which permits the Project's use in the manner for which the Project was originally constructed (the "Pre-Existing Condition"), the Authority shall take one or more of the following actions and use a combination of any of the following sources (including the Net Proceeds) to restore and repair the Project to its Pre-Existing Condition (i) subject to Sections 3.12 and 3.13 hereof, issue Additional Bonds the proceeds of which will be used restore and repair the Project to its Pre-Existing Condition, (ii) use any amounts on deposit in the Renewal and Replacement Fund and the CFC Surplus Fund to restore and repair the Project to its Pre-Existing Condition, and/or (iii) continue to require the Rental Car Companies (and prior to the Commencement Date, each Person operating a rent-a-car business at the Airport that has entered into an On Airport Service Center Site Interim Lease and Operating Agreement or Off Airport Car Rental Operating Agreement) to collect CFC Revenue and remit such CFC Revenue to the Trustee, as assignee of the Authority, and use such CFC Revenue to restore and repair the Project to its Pre-Existing Condition. The Net Proceeds, along with the amounts described in clauses (i) through (iii) in the previous sentence are collectively referred to in this Indenture as "Available Amounts."

Following a casualty loss or Taking at or affecting the Project and if the Available Amounts made available for repair or restoration are sufficient for such purpose, the Authority shall cause the repair and restoration of the Project to substantially its Pre-Existing Condition, and the Authority shall cause the commencement of such restoration or repair as soon as is reasonably possible after the casualty loss or Taking and at all times thereafter the diligent prosecution thereof to completion. In the event any Net Proceeds remain after the repair and restoration of the Project to its Pre-Existing Condition by the Authority, the Authority shall deposit such Net Proceeds to the applicable Account or Accounts within the Debt Service Fund and apply to the payment of principal of or interest on the Bonds next coming due.

In the event the Available Amounts are insufficient to restore and repair the Project to its Pre-Existing Condition, all Available Amounts and such other amounts on deposit in the Debt Service Fund, the Debt Service Reserve Fund, the Coverage Fund, shall be used to redeem the Series 2019 Bonds pursuant to Section 4.03 hereof and any Additional Bonds pursuant to the terms of the applicable Supplemental Indenture.

Section 6.13. Covenants of the State to Bondholders. Pursuant to the Act, the Authority includes the following pledges for the State in this Indenture and in the Bonds issued hereunder:

Pursuant to the Act, the State has covenanted with the purchasers and all subsequent holders and transferees of notes and bonds issued by the Authority under sections 15-120aa to 15-120oo, inclusive, of the Connecticut General Statutes in

consideration of the acceptance of and payment for the notes and bonds, that the principal and interest of such notes and bonds shall at all times be free from taxation, except for estate and gift taxes, imposed by the State or by any political subdivision thereof but the interest on such notes and bonds shall be included in the computation of any excise or franchise tax.

Pursuant to the Act, the State has pledged to and agreed with the holders of any bonds and notes issued under the Act and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act that the State will not limit or alter the rights vested in the Authority under the Act until such obligations, together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the Authority, provided nothing contained herein shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such bonds and notes of the Authority or those entering into such contracts with the Authority.

Section 6.14. Continuing Disclosure. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Series 2019 Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Authority to comply with its obligations set forth in the Series 2019 Continuing Disclosure Agreement shall not constitute an Event of Default (as specified in Article IX hereof); provided, however, that any participating underwriter for the Series 2019 Bonds or any Bondholder or Beneficial Owner of the Series 2019 Bonds may take such actions as may be necessary and appropriate to compel performance by the Authority of its obligations under this Section, including seeking mandamus or specific performance by court order.

Section 6.15. No Disposition of Trust Estate. Except as permitted by this Indenture, the Authority shall not sell, lease, pledge, assign or otherwise dispose of or encumber its interest in the Trust Estate and will promptly pay or cause to be discharged or make adequate provision to discharge any lien or charge on any part thereof not permitted hereby.

Section 6.16. Pledge and Assignment of CFC Revenue, Contingent Payments and Facility Payments. The Authority hereby grants, pledges and assigns unto the Trustee, and to its successors, and grants a continuing lien on and a security interest as security for the Bonds all rights under Articles 6C, 7A, 7B, 7C, 7E, 7J and 7K of each of the Rental Car Lease and Operating Agreements to receive payment of, title and interest of the Authority in and to the CFC Revenue, the Contingent Payments and the Facility Payments and other amounts payable under such Articles, and including without limitation, all rights and remedies to enforce its rights to collect and receive the CFC Revenue, the Contingent Payments and the Facility Payments.

The aforesaid pledge, lien and assignment of the CFC Revenue, Contingent Payments and Facility Payments shall constitute a prior and superior lien and charge on the CFC Revenue, the Contingent Payments and the Facility Payments, subject only to the provisions of this Indenture permitting the application of the Trust Estate for the purposes and on the terms and conditions hereof, over and ahead of any claims (whether in tort, contract or otherwise and irrespective of whether the parties possessing such claims have notice of the foregoing pledges, liens or charges), encumbrances or obligations of any nature hereafter arising or incurred, and

over and ahead of all other indebtedness payable from or secured by the Trust Estate. The foregoing pledges, liens, charges, and assignments to the Trustee shall be valid and binding from the time of the delivery of and payment for the Bonds issued hereunder, and the moneys representing the Trust Estate shall thereupon be immediately subject to the pledge, lien and charge hereof upon receipt thereof by the Authority or the Trustee without any physical delivery or further act.

Section 6.17. Covenants of Authority Binding on Authority and Successors. All covenants, stipulations, obligations and agreements of the Authority contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized or permitted by law. If the powers or duties of the Authority shall hereafter be transferred by amendment of the Act or a new Act or any provision of the Constitution or any other law of the State or in any other manner there shall be a successor to the Authority, and if such transfer shall relate to any matter or thing permitted or required to be done under this Indenture by the Authority, then the entity that shall succeed to such powers or duties of the Authority shall act and be obligated in the place and stead of the Authority as in this Indenture provided, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon any officer, board, body or Authority to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreement shall be transferred by or in accordance with law.

Except as otherwise provided in this Indenture, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority by the provision of this Indenture shall be exercised or performed by the Authority or by such officers, board, body or Authority as may be permitted by law to exercise such powers or to perform such duties.

Section 6.18. Instruments of Further Assurance. The Authority covenants that it shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures, and such further acts, instruments and transfers as the Trustee may reasonably request for the better assuring and confirming to the Trustee all and each of the rights and obligations of the Authority under and pursuant to this Indenture and the security intended to be conferred hereby to secure the Bonds.

Section 6.19. Indenture To Constitute a Contract. This Indenture, including all Supplemental Indentures, is executed by the Authority for the benefit of the Bondholders and constitutes a contract with the Trustee for the benefit of the Bondholders.

ARTICLE VII

INVESTMENTS

Moneys held by the Authority and/or the Trustee in the Funds and Accounts created herein and under any Supplemental Indenture shall be invested and reinvested as directed by the Authority, in Permitted Investments subject to the restrictions set forth in this Indenture and such Supplemental Indenture and subject to the investment restrictions imposed upon the Authority by the laws of the State and the Authority's investment policy. The Authority shall direct such investments by written certificate (which certificate shall include a certification that such

directions comply with the Authority's investment policy and upon which the Trustee may conclusively rely) of an Authorized Authority Representative or by telephone instruction followed by prompt written confirmation by an Authorized Authority Representative; in the absence of any such instructions, the Trustee shall, to the extent practicable, invest in Permitted Investments specified in item (o) of the definition thereof provided that it meets the requirements specified in (a) of the definition of Permitted Investments, which are Permitted Investments under State law.

The Trustee shall not be liable for any loss resulting from following the written directions of the Authority or as a result of the following the provisions hereof in the absence of any such instructions or as a result of liquidating investments to provide funds for any required payment, transfer, withdrawal or disbursement from any fund or account in which such Permitted Investment is held.

The Trustee may buy or sell any Permitted Investment through its own (or any of its affiliates) investment department.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or such other applicable regulatory entity grants the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

For purposes of this Indenture, investments in the Debt Service Reserve Fund, the Coverage Fund and the Renewal and Replacement Fund shall be valued at the lower of amortized cost or market, and investments in any other Fund or Account shall be valued at market value.

ARTICLE VIII

DEFEASANCE

Bonds or portions thereof (such portions to be in integral multiples of the Authorized Denomination) which have been paid in full or which are deemed to have been paid in full shall no longer be secured by or entitled to the benefits of this Indenture except for the purposes of payment from cash, Government Obligations or obligations described in clause (b) of the definition of Permitted Investments held by the Trustee or a Paying Agent for such purpose. When all Bonds which have been issued under this Indenture have been paid in full or are deemed to have been paid in full, and all other sums payable hereunder by the Authority, including all necessary and proper fees, compensation and expenses of the Trustee, the Registrar and the Paying Agent, have been paid or are duly provided for, then the right, title and interest of the Trustee in and to the pledge of the Trust Estate and any other assets pledged to secure the Bonds hereunder shall thereupon cease, terminate and become void, and thereupon the Trustee shall cancel, discharge and release this Indenture, shall, upon the request of the Authority, execute, acknowledge and deliver to the Authority such instruments as shall be requisite to evidence such cancellation, discharge and release and shall assign and deliver to the Authority

any property and revenues at the time subject to this Indenture which may then be in the Trustee's possession, except funds or securities in which such funds are invested and are held by the Trustee or the Paying Agent for the payment of the principal of, premium, if any, and interest on the Bonds.

A Bond shall be deemed to be paid within the meaning of this Article VIII and for all purposes of this Indenture when payment of the principal, interest and premium, if any, either (a) shall have been made or caused to be made in accordance with the terms of the Bonds and this Indenture or (b) shall have been provided for, as certified to the Trustee by a nationally recognized accounting firm, by irrevocably depositing with the Trustee as paying agent or any Paying Agent in trust and setting aside exclusively for such payment, (i) cash sufficient to make such payment and/or (ii) noncallable Government Obligations or obligations described in clause (b) of the definition of Permitted Investments, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment. At such times as Bonds shall be deemed to be paid hereunder, such Bonds shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of payment from such moneys, Government Obligations or obligations described in clause (b) of the definition of Permitted Investments.

Any deposit under clause (b) of the foregoing paragraph shall be deemed a payment of such Bonds. Once such deposit shall have been made, the Authority shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to notify all holders of the affected Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article VIII. Notice of redemption shall be required at the time of such defeasance or prior to such date as may be required by this Indenture or by the Supplemental Indenture under which such Bonds were issued. The Authority may at any time, prior to issuing such notice of redemption as may be required by this Indenture or by the Supplemental Indenture under which such Bonds were issued, modify or otherwise change the scheduled date for the redemption or payment of any Bond deemed to be paid under the terms of the foregoing paragraph in accordance with the terms of the Bonds or this Indenture subject to (A) receipt of an approving opinion of nationally recognized Bond Counsel that such action will not adversely affect the tax-exemption of any Tax-Exempt Bonds then Outstanding and (B) receipt of an approving opinion of a nationally recognized accounting firm that there are sufficient cash, Government Obligations and/or obligations described in clause (b) of the definition of Permitted Investments to provide for the payment of such Bonds. Notwithstanding anything in this Article VIII to the contrary, monies from the trust or escrow established for the defeasance of Bonds may be withdrawn and delivered to the Authority so long as the requirements of subparagraphs (A) and (B) above are met prior to or concurrently with any such withdrawal.

In connection with the redemption or defeasance, or partial redemption or defeasance of Bonds, the Authority may permit, or cause to be assigned to Bonds of a single maturity, multiple CUSIP numbers.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;

(c) a failure to pay the purchase price of any Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in a Supplemental Indenture, including any Credit Facility or Liquidity Facility then in effect;

(d) a failure by the Authority to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a), (b) and (c) of this Section 9.01) that are to be observed or performed by the Authority and which are contained in this Indenture or a Supplemental Indenture, which failure, except for a violation under Section 6.07(b) or 6.07(c) hereof which shall be controlled by the provisions set forth in Section 6.07(d) hereof, shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Authority by the Trustee, which notice may be given at the discretion of the Trustee and shall be given at the written request of holders of 25% or more of the Principal Amount of the Bonds then Outstanding, unless the Trustee, or the Trustee and the holders of Bonds in a Principal Amount not less than the Principal Amount of Bonds the holders of which requested such notice, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee or the Trustee and the holders of such principal amount of Bonds shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Authority within such period and is being diligently pursued until such failure is corrected;

(e) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of the United States Bankruptcy Code, or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against the Authority and, if instituted against the Authority, said proceedings are consented to or are not dismissed within sixty (60) days after such institution; or

(f) the occurrence of any other Event of Default as is provided in a Supplemental Indenture.

Within five (5) days after actual knowledge by an authorized officer of the Trustee of an Event of Default under clause (a), (b) or (c) above, the Trustee shall give written notice, by registered or certified mail, to the Authority and all of the Bondholders as shown on the Registration Books at the close of business fifteen days prior to the mailing of notice, and upon notice as provided in Section 10.07 hereof shall give notice required by Section 10.07 hereof to the Authority.

Section 9.02. Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and upon the written direction of the holders of 51% or more of the Principal Amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the Trustee of an express trust subject to provisions of Sections 10.03 and 10.04:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders of the Bonds, and require the Authority to carry out any agreements with or for the benefit of the Bondholders including, but not limited to, the Rental Car Lease and Operating Agreements and to perform its or their duties under the Act or any other law to which it is subject, and this Indenture; or

(ii) bring suit upon the Bonds; or

(iii) commence an action or suit in equity to require the Authority to account as if it were the trustee of an express trust for the Bondholders of the Bonds; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders of the Bonds.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

Section 9.03. Restoration to Former Position. In the event that any proceeding taken by the Trustee to enforce any right under this Indenture shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Authority, the Trustee, and the Bondholders of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 9.04. Bondholders' Right To Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, holders of 51% in Principal Amount of the Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Indenture to be taken in connection with the enforcement of the terms of this Indenture or exercising any trust or power conferred on the Trustee by this

Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of the law and this Indenture, any directions shall be subject to the provisions of Sections 10.03 and 10.04 hereof, particularly Section 10.03(e) and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

Section 9.05. Limitation on Right To Institute Proceedings. No Bondholder of Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on such Bonds, unless (i) such Bondholder or Bondholders of Bonds previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and (ii) unless also holders of 51% or more of the Principal Amount of the Bonds then Outstanding shall have made written request of the Trustee to do so, after the right to institute such suit, action or proceeding under Section 9.02 hereof shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within 60 days; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Bondholders of the Bonds shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders of the Bonds.

Section 9.06. No Impairment of Right To Enforce Payment. Notwithstanding any other provision in this Indenture, the right of any Bondholder to receive payment of the principal of and interest on such Bond or the purchase price thereof, on or after the respective due dates expressed therein and to the extent of the pledge of the Trust Estate and other security provided for the Bonds, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bondholder.

Section 9.07. Proceedings by Trustee Without Possession of Bonds. All rights of action under this Indenture or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Bondholders, subject to the provisions of this Indenture.

Section 9.08. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Indenture or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 9.08.

Section 9.09. No Waiver of Remedies. No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article IX to the Trustee and to the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 9.10. Application of Moneys. If an Event of Default shall occur and be continuing, all amounts then held or any moneys received by the Trustee, including all CFC Revenue, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article IX (which shall not include (1) moneys in the Rebate Funds, which shall be held and applied in accordance with Section 5.09 hereof and (2) all moneys provided through a Credit Facility, which moneys shall be restricted to the specific use for which such moneys were provided), after payment of the costs and expenses of the proceedings resulting in the collection of such moneys by the Trustee or by any receiver and of the expenses, liabilities and advances incurred or made by the Trustee in connection with its performance of its powers and duties under this Indenture and any Supplemental Indenture (including attorneys' fees and disbursements), shall be applied as follows: (a) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum as provided in this Indenture and any Supplemental Indenture, as the case may be, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, (b) second, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Bonds which shall have become due with interest on such Bonds at such rate as provided in this Indenture or any Supplemental Indenture from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds on any particular date determined to be the payment date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section 9.10, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by mail to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 9.11. Severability of Remedies. It is the purpose and intention of this Article IX to provide rights and remedies to the Trustee and the Bondholders, which may be lawfully granted under the provisions of the Act and other applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture or by applicable law.

Section 9.12. Additional Events of Default and Remedies. So long as any particular Series of Bonds is Outstanding, the Events of Default and remedies as set forth in this Article IX may be supplemented with additional events of default and remedies as set forth in a Supplemental Indenture under which such Series of Bonds is issued.

Section 9.13. Authority Right to Enforce Rights. Notwithstanding any contrary provision in this Indenture, the Authority may enforce or exercise the rights of the Authority as operator of the Airport System.

Section 9.14. No Claims Against Trustee. Nothing contained in this Indenture shall constitute any request by the Trustee, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Airport or any part thereof, or be construed to give the Authority any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would provide the basis for any claim against the Trustee or that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the lien of this Indenture.

ARTICLE X

THE TRUSTEE

Section 10.01. The Trustee; Corporate Organization, Authorization and Capacity. The Trustee represents and warrants that it is a national banking association duly organized and validly existing under the laws of the United States of America and duly licensed or qualified to do business in the State, with the capacity to exercise the powers and duties of the Trustee hereunder and that by proper corporate action it has duly authorized the execution and delivery of this Indenture.

Section 10.02. Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts specifically imposed upon it by this Indenture, but only upon and subject to the additional terms and conditions set forth in this Article X, to all of which the Authority agrees and the respective Bondholders agree by their acceptance of delivery of any of the Bonds.

Section 10.03. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing (of which the Trustee has been notified, or is deemed to have notice hereunder), the Trustee shall exercise those rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee shall perform only those duties specifically set forth in this Indenture and no implied duties or obligations shall be read into this Indenture against the Trustee.

(c) Except during the continuance of an Event of Default, in the absence of any bad faith on its part or any knowledge to the contrary, the Trustee

may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine (without independent investigation of the statements or opinions included therein) the certificates and opinions to determine whether they conform to the requirements of this Indenture.

(d) The Trustee may not be relieved from liability for its own grossly negligent action, its own grossly negligent failure to act or its own willful misconduct, except that the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from Bondholders or the Authority in the manner provided in this Indenture.

(e) The Trustee shall not, by any provision of this Indenture, be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the holders of the Bonds or any Credit Provider or Liquidity Provider, unless such holders, Credit Providers and Liquidity Providers, as applicable, shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(f) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to all the paragraphs of this Section 10.03.

Section 10.04. Rights of Trustee.

(a) The Trustee shall be protected and shall incur no liability in acting or proceeding in the absence of bad faith upon any resolution, notice, telegram, facsimile, request, consent, waiver, order, letter, certificate, direction, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been sent or signed by the proper authority or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, and the Trustee shall be under no duty to make investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may rely upon the calculations provided by the entity preparing such calculations in connection with its responsibility to ensure there exists in the Debt Service Reserve Fund, the Coverage Fund, the Renewal and Replacement Fund and all other funds the required amounts. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who is the holder of any Bonds at the time of making the request or giving the authority or consent, shall

be conclusive and binding upon all future holders of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(b) The Trustee may consult with counsel with regard to legal questions or other matters of trust hereof and duties hereunder, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith in accordance therewith.

(c) Whenever in the administration of the trusts or duties imposed upon it by this Indenture the Trustee shall deem it necessary that a matter be proved or established prior to taking or not taking any action hereunder, such matter may be deemed to be conclusively proved and established by a certificate of the Authority or other persons, and such certificate shall be full warrant to the Trustee for any action taken or not taken by it in good faith under the provisions of this Indenture in reliance on such certificate.

(d) The Trustee makes no representation as to the sufficiency or validity of this Indenture or of any Bonds, or in respect of the security afforded by this Indenture.

(e) The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it under this Indenture, unless it shall be established that the Trustee acted with gross negligence or willful misconduct in ascertaining the pertinent facts.

(f) In the performance of its duties hereunder, the Trustee may employ attorneys, agents and receivers and shall not be liable for any actions of such attorneys, agents and receivers to the extent selected by it with reasonable care may pay reasonable compensation in all cases to all of those attorneys, agents and receivers in connection with the trusts hereof and shall be entitled to be reimbursed for reasonable and necessary out-of-pocket payments to unrelated third parties.

(g) The Trustee shall have no responsibility with respect to any information, statement or recital whatsoever in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

(h) The Trustee shall not be considered in breach of or in default in its obligations hereunder in the event of enforced delay or unavoidable delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or gross negligence, including, but not limited to, acts of God or of a public enemy or terrorists, acts of a government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor,

equipment, facilities, sources of energy, material or supplies in the open market, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(i) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

Section 10.05. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the Authority with the same rights it would have if it were not Trustee. Any Paying Agent or other agent may do the same with like rights.

Section 10.06. Trustee's Disclaimer. The Trustee shall not be accountable for the Authority's use of the proceeds from the Bonds paid to the Authority and it shall not be responsible for any statement in the Bonds other than its certificate of authentication.

Section 10.07. Notice of Events of Defaults. If (a) an Event of Default has occurred or (b) an event has occurred which with the giving of notice and/or the lapse of time would be an Event of Default and, with respect to such events for which notice to the Authority is required before such events will become Events of Default, such notice has been given, then the Trustee shall promptly, after obtaining actual notice of such Event of Default or event described in (b) of the first sentence of this Section 10.07, give notice thereof to each Bondholder. Except in the case of a default in payment or purchase on any Bonds, the Trustee may withhold the notice if and so long as the Trustee in good faith determines that withholding the notice is in the best interests of the Bondholders.

Section 10.08. Compensation of Trustee. For acting under this Indenture, the Trustee shall be entitled to payment of fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily paid or incurred by the Trustee in connection with its services under this Indenture, in accordance with a separate fee schedule setting forth such terms and conditions which has been approved by the Authority. The Authority agrees to indemnify and hold the Trustee and its officers, agents, employees and directors harmless against any liabilities, costs, claims or expenses not arising from the Trustee's own gross negligence, misconduct or breach of duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder including the enforcement of any remedies and the defense of any suit. Such obligation shall survive the discharge of this Indenture or the resignation or removal of the Trustee.

Section 10.09. Eligibility of Trustee. This Indenture shall always have a Trustee that is a trust company, banking association or a bank having the powers of a trust company and is organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized to conduct trust business under the laws of the State, is subject to supervision or examination by United States, state or District of Columbia authority and has (together with its corporate parent) a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition.

Section 10.10. Replacement of Trustee. The Trustee may resign at any time by notifying the Authority in writing prior to the proposed effective date of the resignation. The holders of at least 51% in Principal Amount of the Bonds may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee with the Authority's consent. The Authority may remove the Trustee, by notice in writing delivered to the Trustee at least sixty (60) days prior to the proposed removal date; provided, however, that the Authority shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists which with the giving of notice or the passage of time or both would be an Event of Default.

No resignation or removal of the Trustee under this Section 10.10 shall be effective until a new Trustee has taken office and delivered a written acceptance of its appointment and a written acceptance and agreement to execute the trusts imposed upon it by this Indenture to the retiring Trustee and to the Authority. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture.

If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under this Indenture, the Authority shall promptly appoint a successor Trustee.

If a Trustee is not performing its duties hereunder and a successor Trustee does not take office within sixty (60) days after the retiring Trustee delivers notice of resignation or the Authority or 51% of Bondholders delivers notice of removal, the retiring Trustee, the Authority or the holders of a majority in Principal Amount of the Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 10.11. Successor Trustee or Agent by Merger. If the Trustee, any Paying Agent or Registrar consolidates with, merges or converts into, or sells to or transfers all or substantially all its assets (or, in the case of a bank, national banking association or trust company, its corporate trust assets) to, another corporation and meets the qualifications set forth in this Indenture, the resulting, surviving or transferee corporation without any further act (other than delivering a written acceptance of its appointment and a written acceptance and agreement to execute the trusts imposed upon it by this Indenture to the Authority) shall be the successor Trustee, Paying Agent or Registrar.

Section 10.12. Paying Agent. The Authority may upon notice to the Trustee at any time or from time to time appoint a Paying Agent or Paying Agents for the Bonds or for any Series of Bonds, and each Paying Agent, if other than the Trustee, shall designate to the Authority and the

Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder or under a Supplemental Indenture by a written instrument of acceptance delivered to the Authority and the Trustee under which each such Paying Agent will agree, particularly:

(a) to hold all sums held by it for the payment of the principal of, premium or interest on Bonds in trust for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided;

(b) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the Authority and the Trustee on each Business Day during reasonable business hours; and

(c) upon the request of the Trustee, to forthwith deliver to the Trustee all sums so held in trust by such Paying Agent.

The Trustee shall be the Paying Agent with respect to the Series 2019 Bonds.

Section 10.13. Registrar. The Authority shall appoint the Registrar for the Bonds or a Registrar or Registrars for any Series of Bonds and may from time to time remove a Registrar and name a replacement. Each Registrar, if other than the Trustee, shall designate to the Trustee, the Paying Agent, and the Authority its principal office and signify its acceptance of the duties imposed upon it hereunder or under a Supplemental Indenture by a written instrument of acceptance delivered to the Authority and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent corporate trust industry practice and to make such books and records available for inspection by the Authority, the Trustee, and the Paying Agent on each Business Day during reasonable business hours. The Trustee shall be the Registrar with respect to the Series 2019 Bonds.

Section 10.14. Other Agents. The Authority, or the Trustee with the consent of the Authority, may from time to time appoint other agents as may be appropriate at the time to perform duties and obligations under this Indenture or under a Supplemental Indenture all as provided by a Supplemental Indenture or resolution of the Authority.

Section 10.15. Several Capacities. Anything in this Indenture to the contrary notwithstanding, with the consent of the Authority, the same entity may serve hereunder as the Trustee, Paying Agent, Registrar and any other agent as appointed to perform duties or obligations under this Indenture, under a Supplemental Indenture or an escrow agreement, or in any combination of such capacities, to the extent permitted by law. The Paying Agent and the Registrar shall be entitled to the same protections, limitations from liability and indemnities afforded to the Trustee under this Indenture.

Section 10.16. Accounting Records and Reports of the Trustee.

(a) The Trustee shall at all times keep, or cause to be kept, proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts

established by it pursuant to this Indenture. Such records shall be available for inspection with reasonable prior notice by the Authority on each Business Day during reasonable business hours and by any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours, with reasonable notice and under reasonable circumstances.

(b) The Trustee shall provide to the Authority each month a report of Bond proceeds received during that month, if any, and the amounts deposited into each fund and account held by it under this Indenture and the amount disbursed from such funds and accounts, the earnings thereon, the ending balance in each of such funds and accounts and the investments of each such fund and account.

(c) The Trustee shall prepare monthly reports by the sixth (6th) day of each month (or as soon thereafter as practicable) showing the CFC Revenue, Contingent Payments and Facility Payments, if any, received from each of the Rental Car Companies (and prior to the Commencement Date, each Person operating a rent-a-car business at the Airport that has entered into an On Airport Service Center Site Interim Lease and Operating Agreement or Off Airport Car Rental Operating Agreement) for deposit into the CFC Revenue Fund during the prior calendar month, together with the total of such amounts. Such report shall be sent to the Authority and made available to each Rental Car Company (and prior to the Commencement Date, each Person operating a rent-a-car business at the Airport that has entered into an On Airport Service Center Site Interim Lease and Operating Agreement or Off Airport Car Rental Operating Agreement) upon their request.

Section 10.17. Compliance with Connecticut General Statutes Sections 4a-60 and 4a-60a

(a) Section 4a-60. In accordance with Connecticut General Statutes Section 4a-60(a), as amended, and to the extent required by Connecticut law, the Trustee agrees and warrants as follows: (1) in the performance of this Indenture it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Trustee that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut and further to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Trustee that such disability prevents performance of the work involved; (2) in all solicitations or advertisements for employees placed by or on behalf of the Trustee, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the

Commission on Human Rights and Opportunities (the "CHRO"); (3) to provide each labor union or representative of workers with which the Trustee has a collective bargaining agreement or other contract or understanding and each vendor with which the Trustee has a contract or understanding, a notice to be provided by the CHRO advising the labor union or workers' representative of the Trustee's commitments under Connecticut General Statutes Section 4a-60, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) to comply with each provision of Connecticut General Statutes Sections 4a-60, 46a-68e and 46a-68f and with each regulation or relevant order issued by the CHRO pursuant to Connecticut General Statutes Sections 46a-56, 46a-68e and 46a-68f; (5) to provide the CHRO with such information requested by the CHRO, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Trustee as relate to the provisions of Connecticut General Statutes Sections 4a-60a and 46a-56.

(b) provided by the CHRO advising the labor union or workers' representative of the Trustee's commitments under Connecticut General Statutes Section 4a-60, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) to comply with each provision of Connecticut General Statutes Sections 4a-60, 46a-68e and 46a-68f and with each regulation or relevant order issued by the CHRO pursuant to Connecticut General Statutes Sections 46a-56, 46a-68e, 46a-68f and 46a-86; (5) to provide the CHRO with such information requested by the CHRO, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Trustee as relate to the provisions of Connecticut General Statutes Sections 4a-60a and 46a-56; and (6) to include provisions (1) through (5) of this section in every subcontract or purchase order entered into by the Trustee in order to fulfill any obligation of this Indenture, and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or order of the CHRO and take such action with respect to any such subcontract or purchase order as the CHRO may direct as a means of enforcing such provisions in accordance with Connecticut General Statutes Section 4a-60.

(c) Section 4a-60a. In accordance with Connecticut General Statutes Section 4a-60a(a), as amended, and to the extent required by Connecticut law, the Trustee agrees and warrants as follows: (1) that in the performance of this Indenture, the Trustee will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) to provide each labor union or representative of workers with which the Trustee has a collective bargaining agreement or other contract or understanding and each vendor with which the Trustee has a contract or understanding, a notice to be provided by the CHRO advising the labor union or workers' representative of the Trustee's commitments under Connecticut General Statutes Section 4a-60a, and to post copies of the notice in conspicuous places available to employees and

applicants for employment; (3) to comply with each provision of Connecticut General Statutes Section 4a-60a and with each regulation or relevant order issued by the CHRO pursuant to Connecticut General Statutes Section 46a-56; (4) to provide the CHRO with such information requested by the CHRO, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Trustee which relate to the provisions of Connecticut General Statutes Sections 4a-60a and 46a-56; and (5) to include provisions (1) through (4) of this section in every subcontract or purchase order entered into by the Trustee in order to fulfill any obligation of this Indenture, and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the CHRO and take such action with respect to any such subcontract or purchase order as the CHRO may direct as a means of enforcing such provisions in accordance with Connecticut General Statutes Section 4a-60a.

(d) Required Submissions. The Trustee agrees and warrants that (1) it has delivered to the Authority an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson, member, or other corporate officer duly authorized to adopt corporate or company policy in the form attached as Exhibit C to this Indenture; (2) if there is a change in the information contained in the most recently filed affidavit, the Trustee will submit an updated affidavit not later than the earlier of the execution of a new contract with the State or a political subdivision of the State or thirty days after the effective date of such change; and (3) the Trustee will deliver an affidavit to the Authority annually, not later than fourteen days after the twelve-month anniversary of the most recently filed affidavit, stating that the affidavit on file with the Authority is current and accurate.

Section 10.18. Compliance with Connecticut General Statutes Sections 9-612(f)(2). For all State contracts as defined in P.A. 07-1 having a value in a calendar year of $50,000 or more or a combination or series of such agreements or contracts having a value of $100,000 or more, the Trustee's authorized signatory to this Indenture expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising State contractors of State campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See Exhibit D hereto - Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations.

ARTICLE XI

SUPPLEMENTAL INDENTURES AND WAIVERS

Section 11.01. Limitations. This Indenture shall not be modified or amended in any respect subsequent to the first delivery of fully executed and authenticated Bonds except as provided in and in accordance with and subject to the provisions of this Article XI.

Section 11.02. Supplemental Indentures Not Requiring Consent of Bondholders. The Authority may, from time to time and at any time, without the consent of or notice to the

Bondholders, execute and deliver Supplemental Indentures supplementing and/or amending this Indenture or any Supplemental Indenture as follows:

(a) to provide for the issuance of a Series or multiple Series of Bonds under the provisions of Section 3.12 or 3.13 hereof and to set forth the terms of such Bonds and the special provisions which shall apply to such Bonds;

(b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, this Indenture or any Supplemental Indenture, provided such supplement or amendment is not materially adverse to the Bondholders;

(c) to add to the covenants and agreements of the Authority in this Indenture or any Supplemental Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Authority, provided such supplement or amendment shall not adversely affect the interests of the Bondholders;

(d) to confirm, as further assurance, any interest of the Trustee in and to the pledge of the Trust Estate or in and to the Funds and Accounts held by the Trustee or in and to any other moneys, securities or funds of the Authority provided pursuant to this Indenture or to otherwise add additional security for the Bondholders;

(e) to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Supplemental Indenture at the time the Series of Bonds is issued and such change is made in accordance with the terms of such Supplemental Indenture;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as amended from time to time;

(g) to modify, alter, amend or supplement this Indenture or any Supplemental Indenture in any other respect which is not materially adverse to the Bondholders;

(h) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal;

(i) to qualify the Bonds or a Series of Bonds for a rating or ratings from a Rating Agency;

(j) to accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate commercial paper, variable rate bonds, or other forms of indebtedness which the Authority from time to time deems appropriate to incur;

(k) to accommodate the use of a Credit Facility or Liquidity Facility for specific Bonds or a specific Series of Bonds; and

(l) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the federal income taxation of the interest on the Tax-Exempt Bonds.

Before the Authority shall, pursuant to this Section 11.02, execute any Supplemental Indenture, there shall have been delivered to the Authority and Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture: (y) is authorized or permitted by this Indenture, the Act and other applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and (z) will not cause interest on any of the Tax-Exempt Bonds which is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes. The opinion of Bond Counsel required pursuant to clause (z) in the preceding sentence shall not be required for a Supplemental Indenture executed and delivered in accordance with Section 11.02(a).

Section 11.03. Supplemental Indenture Requiring Consent of Bondholders.

(a) Except for any Supplemental Indenture entered into pursuant to Section 11.02 hereof and any Supplemental Indenture entered into pursuant to Section 11.03(b) hereof, subject to the terms and provisions contained in this Section 11.03 and this Article XI and not otherwise, the holders of not less than a majority in aggregate Principal Amount of the Bonds then Outstanding shall have the right from time to time to consent to and approve the execution by the Authority of any Supplemental Indenture deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in a Supplemental Indenture; provided, however, that, unless approved by the holders of all of the Bonds then Outstanding or unless such change affects less than all Series of Bonds and Section 11.03(b) hereof is applicable, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, or interest on of any Outstanding Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided that nothing herein contained, including the provisions of Section 11.03(b) hereof, shall, unless approved by the holders of all of the Bonds then Outstanding, permit or be construed as permitting (A) the creation of a lien (except as expressly permitted by this Indenture) upon or pledge of the Trust Estate created by this Indenture, ranking prior to or on a parity with the claim created by this Indenture, (B) except with respect to additional security which may be provided for a particular Series of Bonds, a preference or priority of any Bond or Bonds over any other Bond or Bonds with respect to the security granted therefor under this Indenture, or (C) a reduction in the aggregate Principal Amount of Bonds the consent of the Bondholders of which is required for any such Supplemental Indenture. Nothing herein contained, however, shall be

construed as making necessary the approval by Bondholders of the execution of any Supplemental Indenture as authorized in Section 11.02 hereof, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Trust Estate.

(b) The Authority may, from time to time and at any time, execute a Supplemental Indenture which amends the provisions of an earlier Supplemental Indenture under which a Series or multiple Series of Bonds were issued. If such Supplemental Indenture is executed for one of the purposes set forth in Section 11.02 hereof, no consent of the Bondholders shall be required. If such Supplemental Indenture contains provisions which affect the rights and interests of less than all Series of Bonds Outstanding and Section 11.02 hereof is not applicable, then this subsection (b) rather than subsection (a) above shall control and, subject to the terms and provisions contained in this subsection (b) and not otherwise, the holders of not less than a majority in aggregate Principal Amount of the Bonds of all Series which are affected by such changes shall have the right from time to time to consent to any Supplemental Indenture deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in such Supplemental Indenture and affecting only the Bonds of such Series; provided, however, that, unless approved by the holders of all of the Bonds of all the affected Series then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, or interest on of any Outstanding Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds of such Series or the rate of interest thereon. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Indenture as authorized in Section 11.02 hereof, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Trust Estate.

(c) If at any time the Authority shall desire to enter into any Supplemental Indenture for any of the purposes of this Section 11.03, the Authority shall cause notice of the proposed execution of the Supplemental Indenture to be given by mail to all Bondholders or, under subsection (b), all Bondholders of the affected Series. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Authority for inspection by all Bondholders and it shall not be required that the Bondholders approve the final form of such Supplemental Indenture but it shall be sufficient if such Bondholders approve the substance thereof.

(d) The Authority may execute and deliver such Supplemental Indenture in substantially the form described in such notice, but only if there shall have first been delivered to the Authority (i) the required consents of Bondholders

and (ii) the opinion of Bond Counsel required by the last paragraph of Section 11.02 hereof.

(e) If Bondholders of not less than the percentage of Bonds required by this Section 11.03 shall have consented to and approved the execution and delivery thereof as herein provided, no Bondholders shall have any right to object to the adoption of such Supplemental Indenture, 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 and delivery thereof, or to enjoin or restrain the Authority from executing the same or from taking any action pursuant to the provisions thereof.

(f) Notwithstanding subsections (c) through (e) above, the Authority may, at its discretion, execute and deliver such Supplemental Indenture which contains such modifications, alterations, amendments or supplements prior to receipt of the required consents of the holders; provided, that such Supplemental Indenture or the applicable provisions of such Supplemental Indenture subject to the consents of the holders shall not become effective until such time as there has been delivered to the Authority (i) the required consents of holders and (ii) the opinion of Bond Counsel required by the last paragraph of Section 11.02 hereof. In the event the Authority decides to execute and deliver a Supplemental Indenture in accordance with this subsection (f), the notice required in subsection (c) shall make reference to a final and executed Supplemental Indenture as opposed to a proposed Supplemental Indenture.

(g) For the purposes of this Section 11.03, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to a modification or, amendment permitted by this Section 11.03 in the manner provided herein and with the same effect as a consent given by the holders of such Bonds, except that no proof of ownership shall be required; provided, that this provision shall be disclosed prominently in the offering document, if any, for each Series of Bonds issued pursuant to this Indenture, provided that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the offering document prepared in connection with the primary offering of the Bonds of such Series by the Authority.

Section 11.04. Effect of Supplemental Indenture. Upon execution and delivery of any Supplemental Indenture pursuant to the provisions of this Article XI, this Indenture or the Supplemental Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture and the Supplemental Indenture of the Authority, the Trustee, the Paying Agent, the Registrar and all Bondholders shall thereafter be determined, exercised and enforced under this Indenture and the Supplemental Indenture, if applicable, subject in all respects to such modifications and amendments.

No Supplemental Indenture shall modify the duties, rights or obligations of the Trustee, Paying Agent or Registrar without the consent of such party thereto.

Section 11.05. Supplemental Indentures To Be Part of This Indenture. Any Supplemental Indenture entered into accordance with the provisions of this Article XI shall thereafter form a part of this Indenture or the Supplemental Indenture which they supplement or amend, and all of the terms and conditions contained in any such Supplemental Indenture as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture or the Supplemental Indenture which they supplement or amend for any and all purposes.

Section 11.06. Amendments to Rental Car Lease and Operating Agreements. The provisions of Section 11.03 hereof providing for Bondholder consent to certain Supplemental Indentures shall also apply to the modification of Article 6 of the Rental Car Lease and Operating Agreements and to the definitions of terms used therein as so used in a manner that could materially, adversely affect the Bondholders.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Authority, the Trustee, the Paying Agent, other agents from time to time hereunder, the Bondholders and, to the limited extent provided by Supplemental Indenture, the Credit Providers any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agent, such other agents, the Bondholders and, to the limited extent provided in the applicable Supplemental Indenture, the Credit Providers.

Section 12.02. Severability. In case any one or more of the provisions of this Indenture, or of any Bonds issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Indenture or of Bonds, and this Indenture and any Bonds issued hereunder shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

Section 12.03. No Personal Liability of Authority Members and Officials; Limited Liability of Authority to Bondholders. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any present or future Authority member, official, officer, agent or employee of the Authority or the Airport System, in their individual capacity, and neither the members of the Authority, the officers and employees of the Authority, nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 12.04. Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders or on their behalf by an attorney in fact may be in any number of

concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by an agent or attorney in fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 3.06 hereof.

Nothing contained in this Section 12.04 shall be construed as limiting the Trustee to such proof. The Trustee may accept any other evidence of matters herein stated which it may deem sufficient. Any request, consent of, or assignment by any Bondholder shall bind every future Bondholder of the same Bonds or any Bonds issued in lieu thereof in respect of anything done by the Trustee or the Authority in pursuance of such request or consent.

Section 12.05. Governing Law. The laws of the State shall govern the construction and enforcement of this Indenture and of all Bonds issued hereunder; provided, however, that the administration of the trusts imposed upon the Trustee by this Indenture and the rights and duties of the Trustee hereunder shall be governed by, and construed in accordance with, the laws of the jurisdiction in which the Trustee has its principal corporate trust office.

Section 12.06. Notices. Except as otherwise provided in this Indenture, all notices, certificates, requests, requisitions or other communications by the Authority, the Trustee, the Paying Agent, the Registrar, other agents or a Credit Provider, pursuant to this Indenture shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows: if to the Authority, to the Connecticut Airport Authority, Attention: Executive Director, by delivery or by mail, Bradley International Airport, Administrative Office, Terminal A, 3rd Floor, Windsor Locks, CT 06096, with a copy to the General Counsel at the same address; if to the Trustee, to U.S. Bank National Association, 225 Asylum Street, 23rd Floor, Hartford, CT 06103, Attention: Global Corporate Trust Services, if to a Paying Agent, or another agent, to such address as is designated in writing by it to the Trustee and the Authority. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

Section 12.07. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may, unless otherwise provided in this Indenture or, with respect to any Series of Bonds or portion of Series of Bonds, provided in the Supplemental Indenture under which such Bonds are issued, be made or act performed or right exercised on the next succeeding

Business Day with the same force and effect as if done on the nominal date provided in this Indenture.

Section 12.08. Counterparts. This Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the date first above written.

CONNECTICUT AIRPORT AUTHORITY

By: _____
Authorized Representative

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Representative

[Signature page to Indenture]

EXHIBIT A
FORM OF SERIES 2019 [A] [B] BOND

UNITED STATES OF AMERICA

STATE OF CONNECTICUT

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE TRUSTEE FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT THEREOF OR SUBSTITUTION THEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, CEDE & CO., HAS AN INTEREST HEREIN.

CONNECTICUT AIRPORT AUTHORITY
CUSTOMER FACILITY CHARGE REVENUE BONDS,
(GROUND TRANSPORTATION CENTER PROJECT)
SERIES 2019 ____
[(AMT)] [FEDERALLY TAXABLE]

NUMBER: _-R-_

DATED DATE: April 9, 2019

INTEREST RATE: _____%

MATURITY DATE: July 1, _____

CUSIP: 20773 C _____-

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

For value received, the **CONNECTICUT AIRPORT AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut (the "Authority"), acknowledges itself indebted and hereby promises to pay to the order of the Registered Owner, or registered assigns, the Principal Amount on the Maturity Date, unless this bond shall have been previously called for redemption and payment of the Redemption Price shall have been duly made or provided for, with interest thereon from the Dated Date hereof to the Maturity Date, payable on each Interest Payment Date (as provided in the Indenture) at a per annum interest rate (calculated as provided in the Indenture) equal to the Interest Rate stated above. The interest on this bond is payable by wire or by check or draft mailed by the Trustee to the Registered Owner of record at the close of business on the applicable Record Date preceding each Interest Payment Date at the address shown on the registration books unless an alternate method of payment shall be agreed upon by the Trustee and the Registered Owner; provided, however, that such alternate method of payment is subject to the approval of the Authority, which approval will not unreasonably be withheld. The Principal Amount is payable when due only upon presentation and surrender of this bond at the designated corporate trust office of U.S. Bank National Association, or its successor as Trustee (the "Trustee"); except that until termination of the system of book-entry-

only transfers through The Depository Trust Company or a successor securities depository appointed pursuant to the Indenture (hereinafter defined), and notwithstanding any other provision of the Indenture to the contrary, a portion of the Principal Amount (other than a portion payable upon redemption in whole or upon final maturity) may be paid or redeemed in accordance with the Indenture without surrender of this bond to the Trustee as hereinbefore described.

THIS BOND IS A SPECIAL LIMITED OBLIGATION OF THE AUTHORITY AND IS PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE STATE OF CONNECTICUT NOR ANY POLITICAL SUBDIVISION THEREOF NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS BOND EXCEPT FROM THE MONEYS TO BE PROVIDED UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CONNECTICUT OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. NEITHER THE STATE OF CONNECTICUT NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY OR TO PLEDGE ANY FORM OF TAXATION TO MAKE ANY PAYMENTS ON THIS BOND. THIS BOND SHALL NOT CONSTITUTE A CHARGE LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE UPON ANY PROPERTY OF THE AUTHORITY, THE STATE OF CONNECTICUT OR ANY POLITICAL SUBDIVISION THEREOF, EXCEPT THE PROPERTY OF THE AUTHORITY PLEDGED UNDER THE INDENTURE.

This bond is issuable in the denomination of $5,000 or any integral multiple thereof.

This bond has been duly issued by the Authority under and pursuant to the laws of the State of Connecticut, particularly Sections 15-120aa thru 15-120ss inclusive the General Statutes of Connecticut, Revision of 1958, as amended (the "Act") and pursuant to the Trust Indenture, dated as of April 1, 2019 (the "Indenture"), by and between the Authority and the Trustee. This bond is a special obligation of the Authority payable solely from and secured by a pledge of, equally and ratably with all other bonds of this issue, the Trust Estate (as defined in the Indenture). This bond is one of a total authorized issue of [_____] all of like tenor except as to date, interest rate, maturity, number and amount. The bonds of this issue shall be issued as the Authority's Customer Facility Charge Revenue Bonds, (Ground Transportation Center Project), Series _ [AMT] [FEDERALLY TAXABLE] (the "Bonds"). Reference is hereby made to the Indenture for a description of the funds, revenues and charges pledged thereunder, the nature and extent of the security thereby created, and the rights, limitation of rights, obligations, duties and immunities of the Authority, the Trustee, and the owners of the bonds. Certified copies of the Indenture are on file in the office of the Authority.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Indenture.

The Bonds are subject to redemption prior to maturity as provided in the Indenture.

If less than all the Bonds of a maturity are to be redeemed, the Bonds (or portions thereof) to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee; provided, however, for so long as this bond is registered in the name of a Securities Depository, selection of less than all Bonds of a maturity to be redeemed shall be made in accordance with the procedures of such Securities Depository.

In the event this bond shall be called for redemption, notice of such redemption shall be given by the Trustee in accordance with the terms of the Indenture by mail addressed to the Registered Owner not more than sixty (60) nor less than thirty (30) days prior to the redemption date. Failure to give any required notice of redemption as to any particular Bond will not affect the validity of the call for redemption of any Bond in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, the Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. In the event that funds are deposited with the Trustee sufficient for redemption, interest on the Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

No recourse shall be had for the payment of the principal of or interest on this bond against any member or other officer of the Authority, or any person executing this bond, all such liability, if any, being hereby expressly waived and released by the Registered Owner of this bond by the acceptance hereof and as a part of the consideration hereof, as provided in the Indenture.

This bond is a negotiable instrument for all purposes and shall be transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the above-mentioned office of the Trustee by the Registered Owner hereof in person, or by his duly authorized attorney, upon surrender of this bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new registered Bond or Bonds, and in the same aggregate principal amount, maturity date and interest rate, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Trustee will not be required to make an exchange or transfer of this bond during the period from each Record Date to the following Interest Payment Date or during the forty-five (45) days preceding any date fixed for redemption if this bond (or any part thereof) is eligible to be selected or has been selected for redemption.

The Authority and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due and for all other purposes and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

It is hereby certified and recited by the Authority that all acts, conditions and things necessary to be done, precedent to and in the issuance of the Bonds of the issue of which this bond is a part in order to make them the legal, valid and binding special obligations of the Authority in accordance with their terms, have been done, have happened and have been performed in regular and due form as required by law, and that the issuance of such Bonds does not exceed or violate any constitutional, statutory or other limitation upon the amount of the bonded indebtedness prescribed by law for the Authority.

This bond shall not be valid or obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Connecticut Airport Authority has caused this bond to be executed in its name by a manual or a facsimile signature of its Executive Director and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted or otherwise reproduced hereon, all as of the Dated Date.

CONNECTICUT AIRPORT AUTHORITY

By:_____
Name: Kevin A. Dillon
Title: Executive Director

TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the Bonds of the Connecticut Airport Authority described in the within mentioned Indenture.

U.S. Bank National Association,
as Trustee

By_____
Authorized Signatory

Date of Authentication: April 9, 2019

[Statement of Insurance]

[FORM OF ASSIGNMENT]

Assignment

For value received the undersigned hereby sells, assigns and transfers this bond to

(Name and Address of Assignee)

(Social Security or Other Taxpayer Identification Number of Assignee)

issued by the Connecticut Airport Authority, and all rights thereunder, hereby irrevocably appointing

to transfer this bond on the books of the Authority kept and maintained for registration of this bond by such entity as Trustee with full power of substitution in the premises.

Dated:_____

SIGNATURE GUARANTY:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the registrar in addition to, or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Signature Guaranteed:

_____

By:_____
Authorized Signature

Note: The signature to this assignment must correspond with the name as written on the face of this bond without alterations or enlargement or other change.

EXHIBIT B-1
FORM OF SERIES 2019 A/B CONSTRUCTION ACCOUNT REQUISITION

REQUISITION # _____

Connecticut Airport Authority

[Name of Bond Issue]

To: U.S. Bank National Association, as Trustee (the "Trustee") under the Trust Indenture by and between the Connecticut Airport Authority and U.S. Bank National Association, dated as of _____ (the "Trust Indenture").

We hereby requisition the following amounts to be paid to the following parties from the [_____ Account] of the [_____] Fund funded with of the proceeds of the [Name of Bond Issue] pursuant to the requirements of Section ____ of the Trust Indenture:

1. Name and Address of person or entity to whom the payment is to be made:

2. (a) Amount to be paid: $_____. The items covered are summarized on Schedule A together with copies of all invoices $10,000 or more.

(b) Purpose of Payment: _____

(c) Manner of Payment: _____

3. Obligation on account of which the payment is to be made.

Total Obligation:	$_____
Amount Previously Paid:	$ _____
Unpaid Balance:	$_____

4. We hereby certify that the obligation was properly incurred and is a proper charge against and cost of the _____ Project [and will be expended in accordance with and subject to the limitations set forth in the Series ___ Tax Regulatory Agreement for the purposes listed above.] The amount requisitioned [will be paid to _____ and] [has been paid and reimbursement] therefore is requested.

5. We further hereby certify that the work, material or other purchased item to which payment relates has been accomplished, delivered or installed in a manner satisfactory to the [Consulting Engineer or Construction Manager] and that the purposes listed above constitute a necessary part of the _____ Project. The expenses in this requisition have not been part

of a previous requisition. True copies of all invoices are on file at our offices and are available for the Trustee's review upon request. No event of default has occurred, and I am not aware of any event which with the passage of time or the giving of notice or both would constitute an event of default under the Trust Indenture.

Dated _____, _____.

CONNECTICUT AIRPORT AUTHORITY

By _____

Its _____

Approved:

_____
As [Consulting Engineer or Construction Manager]

By _____

Its _____

EXHIBIT B-2
FORM OF SERIES 2019 A/B COSTS OF ISSUANCE ACCOUNT REQUISITION

REQUISITION # _____

Connecticut Airport Authority

[Name of Bond Issue]

To: U.S. Bank National Association, as Trustee (the "Trustee") under the Trust Indenture by and between the Connecticut Airport Authority and U.S. Bank National Association, dated as of _____ (the "Trust Indenture").

We hereby requisition the following amounts to be paid to the following parties from the [_____ Cost of Issuance Account] of the Construction Fund funded with of the proceeds of the [Name of Bond Issue] pursuant to the requirements of Section ____ of the Trust Indenture:

1. Name and Address of person or entity to whom the payment is to be made:

2. (a) Amount to be paid: $_____. The items covered are summarized on Schedule A together with copies of all invoices $10,000 or more.

(b) Purpose of Payment: _____

(c) Manner of Payment: _____

Dated _____, _____.

CONNECTICUT AIRPORT AUTHORITY

By _____
Its _____

EXHIBIT C

FORM OF AFFIDAVIT

Form C
01-13-2016

STATE OF CONNECTICUT

NONDISCRIMINATION CERTIFICATION — Affidavit By Entity For Contracts Valued at $50,000 or More

Documentation in the form of an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson, member, or other corporate officer duly authorized to adopt corporate, company, or partnership policy that certifies the contractor complies with the nondiscrimination agreements and warranties under Connecticut General Statutes §§ 4a-60 and 4a-60a, as amended

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INSTRUCTIONS:

For use by an entity (corporation, limited liability company, or partnership) when entering into any contract type with the State of Connecticut valued at $50,000 or more for any year of the contract. Complete all sections of the form. Sign form in the presence of a Commissioner of Superior Court or Notary Public. Submit to the awarding State agency prior to contract execution.

AFFIDAVIT:

I, the undersigned, am over the age of eighteen (18) and understand and appreciate the obligations of an oath. I am _____ of _____, an entity
(Signatory's Title) (Name of Entity)

duly formed and existing under the laws of _____.
(Name of State or Commonwealth)

I certify that I am authorized to execute and deliver this affidavit on behalf of

_____ and that _____
(Name of Entity) (Name of Entity)

has a policy in place that complies with the nondiscrimination agreements and warranties of Connecticut General Statutes §§ 4a-60 and 4a-60a, as amended.

_____
Authorized Signatory

_____
Printed Name

Sworn and subscribed to before me on this _____ day of _____, _____ 20____.

_____ _____
Commissioner of the Superior Court/ Notary Public Commission Expiration Date

EXHIBIT D

NOTICE TO EXECUTIVE BRANCH

Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations

Acknowledgement of Receipt of Explanation of Prohibitions for Incorporation in Contracting and Bidding Documents

This notice is provided under the authority of Connecticut General Statutes §9-612(g)(2), as amended by P.A. 10-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on the reverse side of this page).

CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall **knowingly** *solicit* contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor* or *principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

PENALTIES FOR VIOLATIONS

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—Up to $2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to $2,000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than $5,000 in fines, or both.

CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may resulting the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

DEFINITIONS

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization**,** (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract,* (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a subcontractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.

ACKNOWLEDGEMENT OF RECEIPT

SIGNATURE

DATE (mm/dd/yyyy)

NAME OF SIGNER

First Name	MI	Last Name	Suffix

TITLE

COMPANY NAME

Additional information may be found on the website of the State Elections Enforcement Commission,
www.ct.gov/seec
Click on the link to "Lobbyist/Contractor Limitations"

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APPENDIX C

FORM OF RENTAL CAR LEASE AND OPERATING AGREEMENTS

The forms of each Rental Car Lease and Operating Agreement, executed by the Authority and the respective Rental Car Company, are substantially identical. The Rental Car Lease and Operating Agreement included in this Appendix C (without exhibits) is representative of each Rental Car Lease and Operating Agreement executed by each Rental Car Company.

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[RENTAL CAR COMPANY]

RENTAL CAR LEASE AND OPERATING AGREEMENT

BRADLEY INTERNATIONAL AIRPORT

WINDSOR LOCKS, CONNECTICUT

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[RENTAL CAR COMPANY]
ON-AIRPORT RENTAL CAR LEASE AND OPERATING AGREEMENT
BRADLEY INTERNATIONAL AIRPORT
WINDSOR LOCKS, CONNECTICUT

THIS RENTAL CAR LEASE AND OPERATING AGREEMENT ("Agreement") made and concluded at Windsor Locks, Connecticut, this _____ day of March, 2019, by and between the Connecticut Airport Authority, (hereinafter "CAA"), and [Rental Car Company], a limited liability company, organized and existing under the laws of Delaware and having its principal place of business at _____, duly authorized to do business in the State of Connecticut, (hereinafter "SECOND PARTY"), their respective successors in interest and any assigns.

WITNESSETH: that,

WHEREAS, the CAA is the owner of certain land, buildings and improvements thereon known as Bradley International Airport, located in the Towns of East Granby, Suffield, Windsor Locks and Windsor, County of Hartford, State of Connecticut, (hereinafter "Airport") and has the power to lease premises and facilities thereon and grant rights and privileges with respect thereto; and

WHEREAS, rental car services at the Airport are essential for proper accommodation of passengers arriving at and departing from the Airport and the provision of such services serves a public purpose; and

WHEREAS, CAA desires to provide Airport customers with car rental services, by allowing car rental businesses to non-exclusively operate from the CONRAC; and

WHEREAS, RAC operates a Rental Car Business and desires to operate its Rental Car Business at the CONRAC; and

WHEREAS, RAC has previously operated a Rental Car Business at the Airport as an incumbent under a pre-existing agreement or has otherwise been awarded by the CAA through an open public process opportunity to commence operation at the Airport and to lease space and operate in the CONRAC upon its completion; and

WHEREAS, CAA and RAC are desirous of entering into this Rental Car Lease and Operating Agreement which reflects the RAC's non-exclusive Rental Car Business at the CONRAC;

NOW, THEREFORE, the RAC and CAA mutually agree as follows:

DEFINITIONS

"Additional Bonds" means such additional obligations that may be issued under the Bond Documents to finance Project costs after consultation with the RACs.

"*Agreement Year"* means the twelve (12) month period beginning on July 1 of each calendar year and ending June 30 of each subsequent calendar year during the Term of this Agreement. The first Agreement Year shall begin the first July 1 following the Commencement Date. The timeframe from the Commencement Date to the first day of the first Agreement Year is considered the "Partial Agreement Year."

"*Airport"* means Bradley International Airport, located in the Towns of East Granby, Suffield, Windsor Locks and Windsor, County of Hartford, State of Connecticut.

"Airport Customer" means any person who enters into an automobile rental agreement at any location on Airport premises.

"*Airport Manager*" means the Executive Director of CAA or its designee.

"*Airport Policies and Procedures*" means formally adopted written rules, procedures, requirements and regulations adopted by the CAA from time to time for the orderly use of the Airport, including requirements and/or standards for design and construction at the Airport.

"*Annual Budget*" means a budget prepared by RACs or the Facility Manager on behalf of the RACs, and approved by CAA for each Agreement Year as provided for in Article 9.

"Annual CFC Program Requirement" has the meaning set forth in Section 5.A. 4. of this Agreement.

"*Bonds*" means the Series 2018 Bonds and any other indebtedness secured by CFC proceeds, Facility Payments, and Contingent Payments, whether under nonrecourse special facility bonds, general airport revenue bonds, or other debt instrument and used to finance development of the Project, or to refinance any such instruments of indebtedness previously issued

"*Bond Documents*" means and includes a trust indenture and other documentation pursuant to which the Bonds are issued and secured

"Brand Family" means collectively the Rental Car Brands of RAC authorized by the CAA to be made available to customers at the Airport. Where used expressly in reference to Rental Car Brands operated by On-Airport RAC(s) other than SECOND PARTY, "Brand Family" means the collective Rental Car Brands of the other respective On-Airport RAC(s), which may include a single Rental Car Brand.

"*CAA"* means Connecticut Airport Authority.

"*CAA Premises*" means the Public Parking Improvements that comprise a facility component of the Ground Transportation Center (distinct from the ConRAC and the Premises) as of the Commencement Date, as described in Exhibit A.

"*CFC*" and "*CFCs*" means, according to context, a Customer Facility Charge, required by the CAA to be collected per Transaction Day by the RACs from all rental car customers at the Airport, including Airport customers of off Airport rental car operators as set forth in this Agreements, and remitted to a Trustee to pay costs as required under the Bond Documents and, as may be available as set forth under this Agreement, as well as the proceeds of that charge collected by the RACs from their customers, and remitted to, or required to be remitted to, the Trustee and/or the CAA as applicable, together with any and all interest and other earnings from any investment of such proceeds by the Trustee.

"*CFC Surplus*" means annual CFC revenues in excess of the Annual CFC Program Requirement as set forth in the Bond Documents.

"*CFC Surplus Fund*" means the fund into which CFC Surplus is to be deposited as set forth in the Bond Documents.

"*Car*" whether lower case or capitalized, means a wheeled, self-propelled vehicle of any kind available for use or in use, by which any person or property may be propelled, moved, or drawn upon a road or highway, for transportation, regardless whether the vehicle is characterized as a "car" "truck," "van," "sport utility vehicle," or any other class of vehicle.

"*Commencement Date*" means the date following Final Completion of the Project determined by CAA in its reasonable discretion (after coordination with the RACs), when the ConRAC is opened to the public for rental car transactions, and is the same date as the "Opening Date" defined in the Lease and Development Agreement, when the SECOND PARTY's and other RACs' leasehold interests begin to run.

"*Common Area(s)"* means those areas of the Premises which are not Exclusive-Use Premises, and are available for all RACs to use in common for their designated functions as shown on Exhibit A, except that areas designated on such exhibit as " Facility Manager Areas" are Common Areas to which the Second Party and no other RACs will have access except upon coordination with the Facility Manager and shall otherwise be within the exclusive control of the Facility Manager.

"*Common O&M*" means operation and maintenance services approved by CAA in the Annual Budget for the Common O&M Areas to be required of RACs as described in Article 9 Section A of this Agreement.

"*Common O&M Areas*" means collectively (1) the ConRAC and the Premises (except for the Exclusive Use Premises); (2) the Structural Components; (3) Covered Pedestrian Bridge; and (4) the RAC Exclusive-Use Premises during any period during the Term of this Agreement that such space is not allocated to and leased by a particular RAC, and the related equipment and improvements thereon.

"*Common O&M Costs*" means the cost of the RACs for providing the Common O&M on an annual basis as such annual cost is approved by CAA as a component of the Annual Budget.

"*ConRAC*" or "CONRAC" means those components of the Ground Transportation Center comprising (1) the structured rental car facility (and including all facility systems and equipment) designated for the operation of the rental car concessions consisting of new rental car customer service areas, ready/return areas, staging facilities and QTA vehicle servicing facilities to serve all the On-Airport Car Rental Concessionaires operating at the Airport at the Commencement Date; (2) the improvements associated with the structured rental car facility, specifically including dedicated roadways and the Covered Pedestrian Bridge and excluding the Terminal Cross Over Bridge; and (3) the Structural Components, as depicted on Exhibit A.

"*CONRAC Common O&M Costs"* means (i) CONRAC operating costs not attributable to Exclusive-Use Premises, to include common maintenance and utilities costs, insurance, facility manager and management fee; and (ii) CONRAC major maintenance and renewal costs (to the extent not covered by or to replenish a Renewal & Replacement Fund under the Bond Documents).

"*Covered Pedestrian Bridge*" means the component of the Ground Transportation Center as depicted on Exhibit A attached hereto, that connects the Terminal Crossover Bridge to the ConRAC.

"*CPI*" means the index currently published by the United States Bureau of Labor Statistics (unadjusted for seasonal variation) entitled the "Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100".. If, at any time when such index is needed, the "Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100" is no longer published, the parties shall use such substituted index as is then generally recognized and accepted for similar determinations of relative purchasing power over time.

"*Current CFCs*" means Forty Five Million, Six Hundred Twenty-Five Thousand Seven Hundred Eighty-Nine Dollars ($45,625,789), reflecting the balance of the CFCs collected and remitted by the RACs to CAA prior to the Effective Date which are not currently pledged as an obligation under the Bond Documents or otherwise pledged or encumbered by CAA for other lawful uses, which shall be made available by the CAA for deposit to the CFC Project Account as set forth in the Bond Documents.

"Customer Facility Charge Remittance" or "*CFC Remittance"* means the CFC's the CAA requires to be charged on behalf of the CAA to each of SECOND PARTY's Airport Customer and remitted by SECOND PARTY to the Trustee, as set forth in Article 7 of this Agreement, regardless of whether such amounts are actually collected by SECOND PARTY.

"*Debt Service Coverage*" has the meaning set forth in the Bond Documents.

"*Design-Build Agreement*" means the agreement between BDL CONRAC, LLC, as Development Assignee of the RACs, and the Design-Builder for design and construction of the Project.

"*Design-Builder*" means Austin Commercial, L.P. or a replacement construction contracting company with experience in both design-build contracting and consolidated rental car facility construction and engaged by RACs, as described in the Project Delivery Agreement, to carry out design and construction of the Project. In the event Austin Commercial, L.P. is replaced with an alternate design-build contractor, approved in advance by CAA, "Design-Builder" shall then refer to that alternate design-build contractor.

"*Developer*" means BDL Conrac LLC, as Development Assignee of the RACs, a special purpose entity authorized to perform rights and obligations assigned by the RACs under that certain Exclusive Option to Lease and Develop at Bradley International Airport, by and between the RACs and CAA, to wit: (1) the design, development and pricing services for the Project; (2) the right and obligation to occupy the property on the Airport identified by the CAA for development of the Project, (hereinafter defined and referred to as the "Project Premises"); and (3) the right and obligation to construct and deliver the Project to the specifications approved by CAA, with funding secured by CAA and provided to the SECOND PARTY for the benefit of and serving the ConRAC facility Development Rights And Obligations needs of the RACs, or any successor entity approved by the CAA.

"Effective Date" means the 6th day March, 2019.

"*Eligible Depository"* means the eligible depository designated by CAA (which may be the Trustee as defined below) as the depository to which CFC's required to be charged by the SECOND PARTY are to be remitted.

"*Environmental Laws*" means and includes any federal, state or local statute, law, ordinance, code rule, regulation, order, or decree regulating or relating to the protection of human health or the environment, or imposing liability or standards of conduct concerning any hazardous, toxic, or waste substance, element, compound, mixture or material, as now or at any time hereafter in effect, including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. § 9601, et seq., the Federal Oil Pollution Act of 1990, 33 U.S.C. § 2701, et seq., the Federal Toxic Substances Control Act, 15 U.S.C. § 2601, et seq., the Federal Resource and Recovery Act, as amended, 42 U.S.C. § 6901 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq., the Federal Clean Air Act. 33 U.S.C. § 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the River and Harbors Act of 1899, 33 U.S.C. § 401 et seq., and all rules and regulations of the United States Environmental Protection Agency, or any other state, local or federal agency or entity having jurisdiction over environmental or health and safety matters, as such may have been amended or may be amended or substituted in the future.

"*Exclusive-Use Premises*" means any portion of the ConRAC, including the QTA, leased to an individual RAC for its sole use, or leased to two or more RACs for their shared use to the exclusion of any other RAC.

"*Executive Director or Director"* means CAA Executive Director or his/her designee.

"*FAA*" means the Federal Aviation Administration, or any functional successor.

"*Facility Management Agreement*" means the agreement by which the RACs retain a Facility Manager, as described in Article 9, Section I, to perform or cause to be performed the Common O&M and Major Maintenance for the ConRAC and to manage operations of and activities in the ConRAC.

"*Facility Manager*" means an entity retained by RACs, as described in Article 9, to perform or cause to be performed the Common O&M and Major Maintenance for the ConRAC and to manage operations of and activities in the ConRAC pursuant to any Facility Management Agreement.

"*Facility Payment*" means that payment made by the RACs as set forth in Article 6.C hereof.

"*Final Completion*" has the same meaning as in the Lease and Development Agreement.

"Fiscal Year" means July 1 through June 30 of each Agreement Year.

"*Ground Rent*" means that payment made by the SECOND PARTY to CAA, as its Pro Rata Share of the total ground rent payable for the Premises, for the utilization of its Exclusive-Use Premises and its undivided, non-exclusive rights to the Common Use Areas of the Premises beginning at the Commencement Date for the Term, as set forth in Article 6.

"*Ground Transportation Center*" or "*GTC*" means that new multi-level joint use ground transportation facility consisting of the ConRAC and the Public Parking Improvements as of the Final Completion of the Project. The GTC is also referred to herein as the Joint Use Facility (a defined term in the PDA) in relation to the construction obligations of RACs.

"*Initial Tenant Improvements*" means the Tenant Improvements installed by or for a RAC in its Exclusive-Use Premises as of the Commencement Date.

"*Incumbent*" means a rental car company that immediately preceding the Effective Date operated a car rental business at the Airport under a Pre-Existing Agreement.

"*Joint Use Facility*" means that defined term in the PDA, which for purposes of this Agreement means the improvements constructed as a result of the Project (and referred to elsewhere herein as the Ground Transportation Center) as of the Final Completion of the Project.

"Laws" means all laws and regulations of the United States Government, the State of Connecticut, the County of Hartford, and the Towns of East Granby, Suffield, Windsor Locks and Windsor, and all agencies thereof now in effect or hereafter promulgated, specifically including all Environmental Laws, and all rules and/or regulations of the Airport as determined by the Executive Director now in effect or hereafter promulgated which may be applicable to its performance under this Agreement.

"Lease and Development Agreement" means that agreement between the CAA and the Developer through which the Developer shall perform rights and obligations assigned to it by the RACs in that certain Exclusive Option to Lease and Develop at Bradley International Airport.

"*Major Maintenance*" has the meaning given in Article 9, Section N.

"Market Share" or "Market Share Formula" means, for any Agreement Year, the percentage of SECOND PARTY's Percentage Fees paid to the CAA under Article 6 for the aggregate of all Rental Car Brands comprising SECOND PARTY's Brand Family under this Agreement, for the then-most recent previous Agreement Year, represented as a percentage of the aggregate total of all Percentage Fee Payments received by the CAA for that then-most recent previous Agreement Year from all On-Airport RACs collectively.

The Market Share for the Partial Agreement Year (the timeframe from the Commencement Date to the first day of the first Agreement Year) shall be the Market Share determined by CAA in its sole and reasonable discretion for each On-Airport RAC, in effect on the Commencement Date. The Market Share for the first Agreement Year (beginning on the first July 1 that occurs following the Commencement Date) shall be based on the Percentage Fees paid during the immediately preceding twelve (12) calendar month period, or such other period as reasonably determined by CAA to treat all On-Airport RACs equitably.

"Minimum Annual Guarantee" or "MAG" means the amount set forth in Article 6 in this Agreement as the minimum amount SECOND PARTY guarantees to pay each Agreement Year of the Agreement Term for the concession rights granted herein.

"New Entrant" means an On-Airport RAC that was not immediately preceding the Effective Date, a party to a Pre-Existing Agreement and that has successfully responded, or may successfully respond, to a CAA Rental Car Business RFP that has been or may be issued, and/or was otherwise selected by the CAA to operate a Rental Car Business at the Airport as an On-Airport RAC.

"*Off-Airport RAC"* means a person or business entity that rents Cars to Airport Customers, under a CAA authorized Off-Airport Permit [*or Off-Airport Car Rental Operating Agreement*] but is not authorized to conduct activity within the boundary of the Airport other than to pick up and drop off customers at the Airport's Ground Transportation Center at the CONRAC. This shall not apply to rentals between or among the RACs.

"On-Airport RACs" means collectively, SECOND PARTY and each other rental car company authorized by CAA to conduct its respective Rental Car Businesses within the boundaries of the Airport, and specifically at the CONRAC, under a Lease and Operating Agreement with CAA substantially similar to this Agreement.

"*Parking Improvements*" means that component of the Ground Transportation Center as depicted on Exhibit A constituting public parking areas on the ground level of the Ground Transportation Center facility and the adjacent surface parking lot, and specifically including the associated public roadways, and included as a component of the CAA Premises.

"Payments" means the Percentage Fee and any other rate, fee, or charge set forth as an obligation of SECOND PARTY under this Agreement, but does not include the CFC Remittance or Facility Payments.

"*PDA*" (see "*Project Delivery Agreement*").

"Permitted Activities" means, in the ConRAC, the storage, fueling and servicing of Cars, the washing and cleaning of Cars, light maintenance, the processing of car rental transactions and related administrative operations **only.** Permitted Activities for Motor Vehicle Maintenance and Minor Repair as listed below:

Motor Vehicle Maintenance

"Motor vehicle maintenance" means routine maintenance services to motor vehicles of a gross vehicle weight of no more than 10,000 pounds, limited to such activities as the following:

- car washing and vacuuming;

- addition of fluids;
- wiper blade replacement;
- flat tire repair and replacement;
- electrical charging
- hand control installation

Motor Vehicle Minor Repair

- "motor vehicle maintenance" as defined above
- air conditioning, starting and charging service;
- brake repair and replacement;
- engine oil changes, fluids replacement;
- exhaust system repair and replacement;
- automotive electrical work other than audio sound system installation;
- shock absorber, spring, and strut replacement;
- upholstery work;
- tire balancing, tire installation; wheel alignment;
- windshield and glass installation; and
- tune-ups, diagnostics; spark plug replacement, emission control service.

"Pre-Existing Agreement" means the On-Airport Service Center Site Interim Lease & Operating Agreement, as amended, or the Off-Airport Car Rental Operating Agreement, as applicable, existing and in effect between the SECOND PARTY and CAA as of the Effective Date.

"*Premises*" means the parcel of land together with the improvements, now existing or to be constructed thereon and appurtenant thereto by the Developer, as depicted on Exhibit C attached hereto and leased by CAA to the SECOND PARTY under this Agreement and to the other RACs pursuant to agreements similar to this Agreement, as of the Commencement Date, for the Term of this Agreement.

"*Pro Rata Share*" means that share that is equal to the percentage of a Brand Family's Exclusive-Use Premises that it is actually leasing or subleasing in relation to the total RAC Exclusive-Use Premises actually leased or subleased in the CONRAC, unless otherwise defined when used herein.

"*Project*" means the development by Developer of the Ground Transportation Center improvements as is specifically set forth in the Lease and Development Agreement.

"Project Costs" means the costs and debt incurred by CAA for the development of the CONRAC and required associated infrastructure, and other related costs for the CONRAC Development Project, as more particularly set forth in **Exhibit B**.

"*Project Delivery Agreement*," also referred to as the "PDA," means the Project Delivery Agreement entered into between BDL CONRAC, LLC, as Development Assignee of the RACs, and Conrac Solutions Project Delivery, LLC dated December 1, 2016, as amended, to provide management and process for

construction and delivery of the Project through the Design-Build Agreement, and under which the CAA is a third-party beneficiary.

"*Project Fund Budget*" means the final and CAA approved budget for Phase 3 in the Project Delivery Budget attached to and made a part of the Project Delivery Agreement, as updated.

"*Project Premises*" means that parcel of land as depicted on Exhibit A, located immediately west of the parking structure existing at the Airport to be leased by CAA to the Developer under a Lease and Development Agreement, for the purpose of Developers' construction of the Project.

"*Public Parking Improvements*" means collectively the Transit Center, the Terminal Crossover Bridge, and the Parking Improvements components of the Ground Transportation Center and including all facility systems and equipment, (save and except for the Structural Components located therein which comprise a portion of the ConRAC), as depicted on Exhibit A attached hereto and comprising the CAA Premises under this Agreement.

"*QTA*" means that portion of the ConRAC comprised of a multi-level quick turn-around Rental Car servicing facility, providing fueling, cleaning, washing, staging, plus a parking area for RACs and facility manager employees and a ground-level service and support yard and vendor parking and space for Rental Car Maintenance.

"*RAC*" means an On-Airport Rental Car Concessionaire as of the Commencement Date or at any subsequent time during the Term of this Agreement, operating at the Airport under a valid lease and operating agreement similar to this Agreement with the CAA (collectively "RACs").

"*RACs Interest*" means the rights and entitlements granted to the SECOND PARTY under this Agreement and to other RACs pursuant to agreements similar to this Agreement, which rights and entitlements include, but are not limited to, the right to possession of and to operate the ConRAC for the Term of this Agreement.

"*Records*" means all final documents as may have been accumulated by RACs in performing the Agreement, including but not limited to, documents, data, books, reports, records, invoices, bills of lading, etc. that document all financial and operational obligations of the RACs under the terms of this Agreement, all construction documentation related to the Project Delivery Agreement, and documentation for the amounts/gallons of fuel and/or lubricant delivered to RACs and correspondence with the State or the CAA, kept or stored in any form.

"*Renewal and Replacement Fund*" means a fund established pursuant to the Bond Documents to pay the costs of ConRAC Major Maintenance.

"*Rental Car*" means a Car available for rent or use, or rented or in use, regardless whether the use or agreement for use is characterized as "rental" or other form of agreement specifically approved in advance by CAA in its sole discretion, but specifically excluding vehicles for TNCs or other ground transportation providers determined by CAA in its reasonable discretion as not to be included as a Rental Car vehicle. This shall not apply to rentals between or among the RACs.

"*Rental Car Brand*" means each individual business entity or individual trade name owned, licensed to or otherwise authorized to be operated by SECOND PARTY under which SECOND PARTY has been authorized and approved by CAA to operate its Rental Car Business under this Agreement as a component of SECOND PARTY's Brand Family, as defined and set forth in **Attachment 1**, attached hereto and incorporated herein for all purposes. Where used expressly in reference to an individual business entity or individual trade name owned, licensed to or otherwise authorized to be operated by On-Airport RAC(s) other than SECOND PARTY that has been authorized and approved by CAA as a component of the other On-Airport RAC's Brand Family, "Rental Car Brand" means each such individual business entity or individual trade name operated by the other On-Airport RAC.

"Rental Car Business" means the non-exclusive right and privilege of entering into a lease and operating agreement substantially similar to this Agreement for the use and occupancy by an On-Airport RAC of allocated premises within the CONRAC, and of using any other area or location within the boundaries of the Airport as authorized by CAA, limited to conducting an on-Airport rental car concession, for Car rental, Car sharing services, or other agreement or arrangement for customer use of or transportation by a Car, whether characterized as "rental" or any other form of agreement, to provide Cars owned or fleet-leased directly by the SECOND PARTY or a parent or direct subsidiary company of SECOND PARTY, for rent or use through its Rental Car Brands for the term of the Agreement, and subject to the rights and limitations and the obligations of SECOND PARTY set forth in this Agreement. For the purposes of this Agreement, the definition of rental car concession and car sharing services may be broadened by the Executive Director in its sole discretion from time to time, but shall not be diminished for the Term, and shall be uniformly applied to all On-Airport RACs.

"*Rental Car Maintenance*" means all maintenance, storage, repair, modification, overhaul and service of Rental Cars as specifically defined in this Agreement.

"*Structural Components*" means those components of the Ground Transportation Center as depicted on Exhibit A, constructed as part of the Project generally including but not limited to all structural aspects (e.g., foundation, roof, walls, load bearing walls, vertical circulation cores and equipment [elevators, escalators, and stairways]), and all other components that support or are integrated in the core structure and support of the Ground Transportation Center that were constructed for the mutual benefit of the operation of the Public Parking Improvements and the ConRAC.

"*Substantial Completion*" or "*Substantially Complete*" has the same meaning as in the Lease and Development Agreement.

"*Tenant Improvements*" means the improvements, structures, and fixtures installed by or for a RAC in its Exclusive-Use Premises, including finish work on floors, ceilings, demising walls and counters or storefronts or facades; storefront signage; panel boxes and hook-ups to utilities; wires and conduits infrastructure; decorations; furniture; equipment; shelves; counters; lighting; and interior design and construction work necessary in general to accommodate the operations of respective On-Airport Rental Car Concessionaires

"Term" means the term of this Agreement as set forth in Article 2**.**

"*Terminal Crossover Bridge*" means that component of the Ground Transportation Center as depicted on Exhibit A attached hereto that connects the departure level of the airline terminal at the Airport to the Covered Pedestrian Bridge and included as a component of the CAA Premises.

"*Transaction*" means a distinct act of business between a RAC and a customer under which the RAC generates revenue from provision of use or possession of a Rental Car for compensation, whether characterized as "rent" or otherwise, as authorized under this Agreement.

"*Transaction Day*" means the first twenty-four (24) hour period, or portion thereof, for which a RAC charges to a customer any rental amount or other fee for use or possession of a Rental Car, and each twenty-four (24) hour period, or portion thereof, after that, for which the RAC charges fifty percent (50%) or more of a full-day's rental amount to the customer, for use or possession of the Rental Car from the time of Car pick-up to the time the Car is returned to the RAC, whether at the Airport or any other RAC or RAC affiliate location.

"*Transit Center*" means that component of the Ground Transportation Center depicted on Exhibit A attached hereto constituting a pick-up curb area with a heated and protected shelter, located at the ground level of the Ground Transportation Center to provide an enclosed and heated area to accommodate CAA customers awaiting shuttle and other ground transportation pick up, and included as a component of the CAA Premises.

"*Transportation Network Companies*" or "*TNCs*" sometimes known as a mobility service provider (MSP), means an organization that pairs passengers via websites and mobile apps with drivers who provide such services.

"*Trust Indenture"* means one or more trust agreements or trust indentures, together with all supplements and amendments thereto, entered into by and between CAA and the Trustee to provide for the issuance of and security for the Bonds or the Additional Bonds, as the same may be supplemented and amended from time to time in accordance with its terms and provisions.

"*Trustee"* means the financial institution designated as the trustee under the Trust Indenture or any successor trustee thereunder.

"*Uncontrollable Circumstances*" means unusual conditions, and the effect of such conditions, such as strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances, that are beyond the reasonable control or foresight of the party otherwise obligated to perform and which are the reasonable cause of material impairment or delay in performance.

ARTICLE 1. PROJECT

1. Description of CAA Premises. Upon and after Substantial Completion of the Joint-Use Facility, CAA shall have possession of the CAA Premises as described and depicted on Exhibit A, attached hereto which the CAA reserves for its exclusive use and the use by CAA or any parking manager or concessionaire with which the CAA may contract.

2. RACs Rights for Access. RACs shall have no occupancy rights to the CAA Premises. The foregoing notwithstanding, RACs and their contractors (including the Facility Manager), subcontractors, subtenants, (collectively "**Contractors**") shall have, and shall coordinate with the CAA concerning, reasonable access to the CAA Premises (1) to provide Major Maintenance to the extent and for the duration provided for in Article 9, Sections B and N of this Agreement, and (2) to the Common O&M Areas for the purpose of performing Common O&M.

O&M Responsibilities and Public Access. Except as provided for in this Section, all operation and maintenance of the CAA Premises after the expiration of the Construction Term will be the responsibility of the CAA and any CAA parking manager/concessionaire if applicable. The CAA also reserves to itself a non-exclusive right to make available for public use all of the components of the CAA Premises and certain shared components of the Ground Transportation Center including walkways, elevator lobbies, restrooms, elevators and stairwells all as depicted on Exhibit A, attached hereto.

ARTICLE 2. TERM OF AGREEMENT

A. Term

1. Term. This Agreement shall be effective as of the Effective Date. The Term of this Agreement will commence on the Commencement Date and shall extend until 12:00 midnight on the twentieth (20th) anniversary of the first Agreement Year ("Initial Term") unless sooner terminated as hereinafter provided.

2. Right to Extend. The Parties may agree to an extension of the Agreement Term for up to two (2) additional five (5) year periods on mutually agreeable terms to be negotiated (First Extension Term and Second Extension Term, respectively).

3. Collectively, the Initial Term and any Extension Term(s) are referred to in this Agreement as the "Term."

4. Holdover. Holding over by SECOND PARTY after the expiration of the Initial Term, First Extension Term, or Second Extension Term whether with or without the consent of CAA, shall not operate to extend or renew this Agreement. Any such holding over shall be construed as a month-to-month holdover, and CAA or SECOND PARTY may terminate this Agreement at any time by giving thirty (30) days written notice of termination to the other. SECOND PARTY shall be bound by all terms and conditions of this Agreement, provided, however, that all Payments, including but not limited to the Minimum Annual Guarantee shall adjust in accordance with established methodology for each Agreement. In addition to the foregoing, in the case of any holdover by SECOND PARTY without consent of the CAA, SECOND PARTY shall be obligated to pay one hundred twenty-five percent (125%) of the Payments in effect at the expiration of this Agreement. CAA may exercise any and all remedies at law or in equity to recover possession of the leased premises, together with any damages incurred by CAA.

5. Notwithstanding the foregoing, the CAA shall have the right, but not the obligation, to repurpose a portion or all of the CONRAC facility at the CAA's discretion, at any time ten

(10) years after the Effective Date, to a non-RAC related use if the following performance triggers are realized:

a. The total of all On-Airport RAC Transaction Days decrease by more than thirty percent (30%) in any one Agreement Year as compared to the last full Agreement Year of the Pre-Existing Agreement prior to the Effective Date of this Agreement (i.e. Agreement Year ending April 30, 2018): **AND**

b. Debt Service Coverage, excluding the Coverage Fund (i.e." Cash Coverage") falls below 1.0x for the then current Agreement Year. In the event a portion of the ConRAC Facility is re-purposed, RACs would no longer be responsible for that proportional share of rent and Common O&M Costs and debt. In the event all of the CONRAC is repurposed, this Agreement shall be terminated and the SECOND PARTY and the other RACs shall have no other obligations hereunder.

ARTICLE 3. LEASE RIGHTS

As of the Commencement Date, the CAA hereby leases to the SECOND PARTY and the SECOND PARTY hereby accepts, subject to the terms of this Agreement, the Exclusive Use Space as set forth on Exhibits A and L, attached hereto, and an undivided, non-exclusive right to use the Common Areas of the Premises, for the purposes set forth herein.

This Agreement and the similar agreements with the other On-Airport RACs are issued for the use of the Premises for the following authorized uses:

A. Ground Transportation Center. The exclusive right to lease the Premises to operate and maintain the ConRAC under the terms of this Agreement, with financing provided by the CAA, secured by CFC proceeds as committed under this Agreement; and

B. Fueling. Operation and maintenance of fuel tanks and associated facilities and equipment according to all applicable safety codes, and provision of automobile fuel to RACs' only, and the right to receive, store, and use lubricants, cleaners and other carwash and motor vehicle fluids for ConRAC and RAC operations on the Premises, provided that the only authorized sale of fuel is by RACs to their rental customers to fuel Rental Cars in connection with Transactions; sale of fuel to the general public or other non RAC entities is otherwise prohibited; and

C. Signage. Maintenance, relocation and replacement of signage to ensure the safe and efficient operation of the On-Airport Rental Car Concessionaires including wayfinding, directional, instructional and safety signage within the ConRAC and wayfinding and directional signage on Airport roadways and RAC customer walking routes external to the terminal. Signage must be approved by CAA or other agency with jurisdiction for Airport roadway signage. RACs shall also provide for the Project to design and fund original installation of effective wayfinding and directional signage, approved by the CAA, as

reasonably appropriate within the Airport terminal, but physical installation and maintenance thereafter of in-terminal signage shall be the responsibility of the CAA. Except for signs displayed by RACs for wayfinding, instructional, health or safety purposes for ConRAC customers, Contractors or employees, signs displayed by a RAC within its Exclusive-Use Premises regarding the RACs' own products or services or for wayfinding, instructional, health or safety purposes for its customers, Contractors or employees, or as otherwise specifically permitted by CAA, RACs shall not attach to or paint on or within the Leased Premises (including the walls, windows, floors and doors thereof) any other signs or other advertising matter, symbols, canopies, or awnings.

D. Antennae. Installation of antennae incidental to RAC operations on the Premises, subject to coordination with and written approval of the CAA so as not to interfere with the CAA's wireless activities or FAA requirements.

E. RAC Operations. Operations and activities related to and required to support and operate the ConRAC and rental car operations authorized herein, and subject to the provisions of this Agreement.

ARTICLE 4. CONCESSION RIGHTS AND OBLIGATIONS

A. **SECOND PARTY's Rental Car Business**. The CAA grants to SECOND PARTY the non-exclusive right and obligation to operate its Rental Car Business on the Airport in, on and from the CONRAC and on any other Airport land leased by SECOND PARTY to supplement SECOND PARTY's allocated exclusive and common space in the CONRAC and for performance of functions not permitted in the CONRAC, upon the terms of this Agreement, and any lease of Airport land, for the Permitted Activities, where and as authorized under those respective agreements, during the Term. SECOND PARTY's use of the CONRAC or the Airport for functions other than the Permitted Activities where and as authorized, amounts to a non-monetary default by SECOND PARTY and reasonable cause for the CAA to give notice of a non-monetary default of this Agreement pursuant to Article 29 hereof.

B. **Authorization of SECOND PARTY**. Each person executing this Agreement on behalf of [Rental Car Company] does hereby covenant and warrant that [Rental Car Company] is a duly authorized and existing entity duly qualified to do business in the State of Connecticut, that [Rental Car Company] has full right and authority to enter into this Agreement, and that each of the person(s) executing this Agreement on behalf of [Rental Car Company] and each Rental Car Brand comprising its Band Family is authorized to do so by the officers, manager, members and/or Board of Directors, as applicable and required to bind each executing entity and each Rental Car Brand.

C. **Brand Family**. [Rental Car Company] in its capacity as the SECOND PARTY has on the behalf of the Brand Family the full right and authority to enter into any future amendments, restatements or modifications of this Agreement and any related documents thereto.

[Rental Car Company] in its capacity as the SECOND PARTY has, for the purpose of this Agreement, and related documents for the operation of the SECOND PARTY's Rental Car Business at the Airport, the possession, directly or indirectly, of the power and authority to direct or cause the

direction of the management, operation, and policies of the Brand Family for the operation of the SECOND PARTY's Rental Car Business at the Airport, whether through the ownership of voting securities, or by contract or otherwise.

The CAA may request other evidence reasonably necessary to confirm the foregoing warranties.

E. **Rental Car Brands.** For purposes of this Agreement and the letting of premises for operation of the SECOND PARTY's Rental Car Business, SECOND PARTY commits to continuously operate each of the Rental Car Brands set forth in Attachment 1 to this Agreement, throughout the Term of this Agreement. The SECOND PARTY must obtain CAA's prior written consent for the cessation or significant diminution of the business in general or the removal of any of SECOND PARTY's Rental Car Brands at the Airport, and must likewise obtain CAA's written consent to SECOND PARTY's request to substitute or add any Rental Car Brands to SECOND PARTY's Brand Family at the Airport. After consultation with the SECOND PARTY, the CAA will provide a written notification to SECOND PARTY which notification shall set forth the CAA's decision on the request for consent to changes in Rental Car Brands as set forth herein, including other relevant terms of SECOND PARTY's occupancy of the Premises related to such change. Approval of the addition of a Rental Car Brand to an existing Brand Family will not, however, entitle SECOND PARTY to additional space in the CONRAC unless and until earned by actual Market Share growth and assigned under the reallocation provisions of this Agreement.

F. **Continuous Operations.** Any action or failure to perform by SECOND PARTY so as to cease the operation, remove, or substitute any of, or add to, SECOND PARTY's Rental Car Brands without the prior written consent of the CAA, may be deemed by the CAA, in its sole absolute discretion, as a breach of this Agreement and basis for giving notice of non-monetary default, in accordance with Article 29, of the rights granted in this Article, which shall immediately be suspended upon written notice from the CAA unless and until such default is cured as provided herein. SECOND PARTY's obligations under this Agreement will thereafter remain in effect unless and until the Agreement is terminated in accordance with Article 30, except that if the Agreement is so terminated, SECOND PARTY must continue to make all Payments through the original expiration date of the Term.

CAA agrees, however, that it will consent to the removal, substitution, or addition—subject to the terms of Section E, above—of any of SECOND PARTY's Rental Car Brands if SECOND PARTY establishes to the satisfaction of CAA that the overall operation of the revised mix of Rental Car Brands in the Brand Family does not significantly impair the overall operation of the CONRAC with the appropriate level of customer service, and meets all the financial expectations and obligations under the terms of this Agreement. CAA also reserves the right, as a component of its consent to cessation of the operation of any Rental Car Brand, to require SECOND PARTY to vacate a portion of the SECOND PARTY's Premises for reallocation , or for occupancy by a New Entrant, in the reasonable discretion of CAA.

G. **On-Airport and Off-Airport RACs**. Notwithstanding that the rights granted to SECOND PARTY under this Agreement shall be non-exclusive, the CAA represents and warrants that it will

1. prohibit any provider of Cars for rent to Airport Customers to operate its business within the boundary of the Airport except as an Incumbent or New Entrant On-Airport RAC, required to

operate in the CONRAC under substantially the same terms and conditions as this Agreement;

2. prohibit access to the Airport by or on behalf of any business operating outside the boundary of the Airport to provide Cars for rent to Airport Customers, including for pick-up of rental customers or prospective rental customers, delivery or staging of rental Cars, or drop-off of rental customers or former rental customers, or retrieval of rental Cars, except as an Off-Airport RAC operating under an Off-Airport Car Rental Operating Agreement requiring payment of a Concession Fee and the full CFC rate In addition, after the Commencement Date, all Off-Airport RACs will be required to perform all pick-up and drop-off of Off-Airport RAC customers only at a location designated for that purpose at the CONRAC, as determined in the discretion of the CAA. SECOND PARTY and CAA both acknowledge that other transportation providers reasonably classified as other than a RAC or a rental car business by CAA will have rights to operate a business at the Airport under transparent and standardized business programs, and permits or contracts for operating at the Airport.

H. **Access.** SECOND PARTY may not access, or enter upon, any area at the Airport, other than as permitted in this Agreement, in a lease agreement between CAA and SECOND PARTY of Airport land to which CAA has given written consent, or by the Executive Director. SECOND PARTY's access and use of any area at the Airport, other than as permitted in this Agreement, in a lease agreement between CAA and SECOND PARTY of Airport land to which CAA has given written consent, or by the Executive Director amounts to a default by SECOND PARTY and reasonable cause for the CAA to give notice of non-monetary default of this Agreement pursuant to Article 29.

I. **Liability**. As between SECOND PARTY and CAA, SECOND PARTY assumes all expense and liability for SECOND PARTY's Permitted Activities at the Airport, subject to the terms and conditions of this Agreement.

J. **New Entrants.** During the Term of this Agreement, CAA may issue an RFP or otherwise select New Entrants at the intervals determined by CAA, in any event no more often than every five years beginning with the sixth Agreement Year, with the minimum MAG bid amounts set at the discretion of the CAA. Costs of relocation or other related costs to accommodate a New Entrant will be 100% payable with CFC Surplus currently then on deposit in a fund held pursuant to the Bond Documents, if and to the extent available for this purpose and as defined and described in Article7, Section I.5, and the Bond Documents. CAA shall neither offer nor allow any New Entrant terms more favorable than those contained in this Agreement. If the CAA proposes to enter into an agreement with a New Entrant on terms more favorable than those contained herein, the CAA shall make the more favorable terms available at the same time to SECOND PARTY and at SECOND PARTY's election this Agreement shall be modified to reflect the more favorable terms as contained in such other agreement.

ARTICLE 5. CAA FUNDING REQUIREMENTS AND COVENANTS

A. CFC Proceeds

1. Development Costs. The CAA shall provide financing for development of the Project in the amount of all agreed upon costs of the Project identified on the Project Fund Budget formally adopted by CAA with CFC proceeds and the proceeds of the Bonds.

2. Bond Funds. The Bond Documents establish the various Funds required thereunder and the priority of the application of CFC revenues to such funds. All references to Funds herein shall have the meanings as set forth in the Bond Documents.

3. CFC Project Funds. On the date of issuance of the Series 2018 Bonds, the CAA shall deposit or cause to be deposited to the credit of the CFC Project Account within the Construction Fund the Current CFCs in the amount of Forty Five Million, Six Hundred Twenty-Five Thousand Seven Hundred Eighty-Nine Dollars ($45,625,789). Additional deposits to the CFC Project Account from the CFC Revenue Fund shall be made pursuant to the process set forth in Article 7. The foregoing notwithstanding, Bond Proceeds are subject to the priority obligation for required deposits to the Funds under the terms of the Bond Documents prior to deposit in the CFC Project Account.

4. Annual CFC Program Requirement. The Annual CFC Program Requirement effective after the Commencement Date is required to be met prior to any contribution to the CFC Surplus Fund. The "Annual CFC Program Requirement" is defined in the Bond Documents and includes the required contributions and fund balances as set forth in the Bond Documents for the Debt Service Fund, the Debt Service Reserve Fund ,the Coverage Fund, the Administrative Costs Fund, the Subordinate Bond Debt Service and Debt Service Reserve Funds, as established in the a Supplemental Indenture, the Renewal and Replacement Fund, and the CFC Stabilization Fund.

5. CFC Surplus. CFC Surplus held in the Surplus Fund may be used by CAA for any lawful purpose and are subject to disbursement based on the priority of uses as set forth in Section 7.I of this Agreements. After the close of each Agreement Year, RACs may make a written request to CAA for reimbursement from the CFC Surplus Fund for any required purpose under the terms of this Agreement. In addition, RACs may make a written request to the CAA for reimbursement from the CFC Surplus Fund for the payment of costs of ConRAC Major Maintenance as approved in the then current Annual Budget (to the extent not covered by the Renewal and Replacement Fund On CAA's receipt of such written request(s) accompanied by documentation supporting the request(s) and any additional documents reasonably required by CAA, CAA in its reasonable discretion may submit a requisition to the Trustee in accordance with this Agreement and the Bond Documents for disbursements from the CFC Surplus Fund.

6. CFC Imposition. For the duration of the Term of this Agreement, CAA shall to the extent legally possible, continue to impose on customers of the RACs the requirement to pay and continue to impose and enforce a requirement that the RACs to collect, segregate in trust, and remit CFCs at the rate set and to be adjusted under the terms stated in this Agreement as of the Effective Date of this Agreement to pay debt service on the indebtedness incurred under the Bond Documents and to make other payments as permitted under this Agreement.

7. Lien on CFC Funds. For the duration of the Term of this Agreement, CAA shall not create or permit the creation by any RAC or other party of any lien or encumbrances on any CFC proceeds, or use or permit the use of the CFCs, other than in accordance with and as permitted by the Bond Documents, and when Bond Document provisions have been satisfied, with the uses permitted in accordance with this Agreement.

8. Rental Car Facilities. For the duration of the Term of this Agreement, CAA shall not build, either on the Airport or off the Airport, nor allow to be built on the Airport, any facility providing any of the services or functions of the ConRAC or that would otherwise compete with the ConRAC, (save and except facilities or properties for the operation of TNCs.)

B. CAA Project Contribution

1. CAA will fund up to $5 million of a 'Project Contribution' to cover project contingency costs incurred in excess of the Lump Sum (as defined in the PDA) contract after all contingency budget dollars in excess of the Lump Sum that are part of the Project Fund Budget are exhausted. For purposes of clarification, it is understood that there is material contingency budget dollars and obligations that are the responsibility of the Design-Build Contractor that will be consumed first for all costs that are associated with the Lump Sum cost and scope. It is also understood that the current Project Fund Budget contains approximately $1.8 million for "outside Lump Sum" project contingency costs that will be consumed prior to any CAA Project Contribution.

2. The CAA Project Contribution will be repaid as the top priority use of CFC Surplus Funds based on a ten (10) year amortization schedule with interest accruing daily based on a 365 day calendar year at a rate of 6.0% per annum. The ten-year amortization period will begin on the Commencement Date.

3. In addition to B.2 above, the outstanding balance and accrued interest of any CAA Project Contribution will be repaid with CFC Surplus Funds following the priority distribution of CFC Surplus Funds outlined in Article 7.I.

ARTICLE 6. PAYMENTS TO THE CAA AND PAYMENT DETAILS

A. Ground Rental Payments

1. Initial Term Ground Rent. With respect to the determination of the Ground Rent for the Premises during the Initial Term, the parties have agreed to a fair rental value thereof. The

Ground Rent as of the Commencement Date shall be determined no later than ninety (90) days prior to the Commencement Date utilizing the following calculation set forth in this Article ("Commencement Date Ground Rent").

2. CAA and RACs agreed that the fair rental value for the land which is leased to the SECOND PARTY under this Agreement and to the other RACs under their separate lease and operating agreements as of the Commencement Date to be a total of Seven Hundred Thousand, Four Hundred Forty-Four Dollars ($700,444, being $1.20 per square foot for 13.4 acres, more or less) annually.

3. Accordingly, for the period beginning at the Commencement Date and ending on the last day of the third Agreement Year, the SECOND PARTY shall pay its Pro Rata Share of Commencement Date Ground Rent, one-twelfth ($1/12^{th}$) payable monthly, and pro-rated for any partial calendar month.

4. The Commencement Date Ground Rent on which the SECOND PARTY's Pro Rata Share is calculated will be adjusted beginning the first day of the first full calendar month of the fourth Agreement Year, and every third year thereafter throughout the Term of the Agreement, by the percentage by which CPI for the first day of the calendar month beginning three (3) calendar months before the first day of the first full calendar month of the fourth Agreement Year, and each third year thereafter, ("**CPI Measuring Date**") has increased as compared with the CPI at the Commencement Date. In no event shall the Ground Rent due in any Agreement Year be less than the Ground Rent due in the immediately preceding Agreement Year.

5. Payments in Advance. SECOND PARTY shall make its Pro Rata Share of Ground Rent payments to the CAA without offset or deduction, and without the necessity of an invoice, in advance on the first day of each month.

6. In the event the SECOND PARTY is unable to use its Exclusive Use Premises for reasons outside of its control, and this Agreement is not terminated as set forth in Article 30.B.2 or 3, the SECOND PARTY's Pro Rata Share of Ground Rent shall abate for that period.

B. <u>Concession Fee</u>

Commencing on the Commencement Date, SECOND PARTY will pay an annual Concession Fee (hereinafter "Concession Fee") for the operation of SECOND PARTY's Brand Family which shall be THE GREATER OF; (1) the Minimum Annual Guarantee (hereinafter "MAG") as determined for said Agreement Year, or (2) Ten percent (10%) of its Net Gross Receipts, as defined in Section 6.K below, subject to adjustment as set forth in Section 6.K. 2, below, for the applicable Agreement Year (hereinafter "Percentage Fee").

The Concession Fee for each Agreement Year is to be paid in monthly installments, as set forth in Section D, below.

The Concession Fee for the Partial Agreement Year shall be the greater of the Percentage Fee described in this Section or a prorated portion of the MAG in effect as of the Commencement Date. The Concession Fee for any partial month will be prorated. If any payment due the CAA remains unpaid on the succeeding monthly due date(s), interest shall be due and billed thereon at the rate of one and one-half percent (1.5%) per month. Any money due the CAA discovered through an audit shall have interest due and billed thereon at one and one-half percent (1.5%) per month accruing from the due date(s). Checks will be applied first to any open interest then to oldest outstanding invoices until fully applied**.**

In the event that the SECOND PARTY is unable to operate its rental car concession for reasons outside of its control, and this Agreement is not terminated as set forth in Article 30.B.2 or 3, the SECOND PARTY's MAG shall abate for that period.

C. **RAC Facility Payment**

1. In addition to the remittance of CFC Revenues to the Trustee, commencing on the Commencement Date, the RACs will make a monthly Facility Payment to the Trustee in equal monthly installments of $ Two Hundred Seventy-Five Thousand Dollars ($275,000) for a total of Three Million Three Hundred Thousand Dollars ($3,300,000) annually. Facility Payments shall be remitted to the Trustee on the 1st day of each month commencing on the Commencement Date and the Trustee under the Bond Documents shall be required to deposit the Facility Payments in the Revenue Fund under the Indenture.

2. Each RAC Brand Family will be responsible for its Pro Rata share of the Facility Payments.

3. RAC Facility Payments will be suspended if Debt Service Coverage, as defined in the Bond Documents, excluding the value of the aggregate Facility Payments and excluding the Coverage Fund, meets or exceeds 1.5x for three (3) consecutive Agreement Years.

Following suspension of RAC Facility Payments, if Debt Service Coverage, excluding the value of aggregate Facility Payments and the Coverage Fund, falls below 1.5x in any Agreement year, the RAC Facility Payments will be reinstated at the same amounts as prior to suspension.

D. Monthly Payments, Remittances and Reports

Any rent, rate, fee or charge that is an obligation of SECOND PARTY to be made under this Agreement will be due without demand in accordance with the following:

1. MAG – One twelfth (1/12th) of the annual MAG shall be paid on the first day of each month for said month.

2. Percentage Fee – On or before the twentieth (20th) day of each month, the SECOND PARTY will submit a Monthly Receipts Report, in the form attached hereto as Exhibit E, for the preceding month. The Receipts Report will be presented for the SECOND

PARTY's Brand Family, separately detailing activity for each of the SECOND PARTY's brands. The SECOND PARTY shall include on the monthly Receipts Report, a calculation comparing the year-to-date (as of midnight of the last day of the previous month) Percentage Fee versus the MAG for the same period, identifying which is greater. The SECOND PARTY shall compare the greater of the amounts calculated under the preceding sentence to the aggregate amount of Percentage Fees and MAG paid for the same period, and remit the difference no later than the due date for the Receipts Report, by the twentieth (20^{th}) day of each month.

Based on the Gross Receipts included in the Annual Statement of Gross Receipts set forth in Section 6.G. below, the Director will determine whether the payments received by the CAA from the SECOND PARTY for the applicable Agreement Year shall be the Minimum Annual Guarantee or the Percentage Fee of the annual Gross Revenue, whichever is greater, and following said determination an adjustment of the amount payable by the SECOND PARTY or the credit due to the SECOND PARTY will be made, if necessary. In no event will the annual amount payable to the CAA be less than the Minimum Annual Guarantee applicable to the respective period.

3. CFC Remittance – On or before the twentieth (20^{th}) day of each month (or if such twentieth day is not a business day, then the business day preceding such twentieth day), the SECOND PARTY shall submit a monthly statement of transactions and transaction days for the prior month to CAA and the Trustee and remit the CFC proceeds collected for the prior month to the Trustee as outlined in the Bond Documents. The form of the statement of Customer Facility Charge Reporting Form to be submitted each month is set forth as Exhibit G attached hereto

4. Contingent Payment, as set forth in Section7.K of this Agreement – On or before the first day of each month, SECOND PARTY will remit to the Trustee the Contingent Payment, if applicable, for that month. Not less than sixty (60) days prior to the inception of a Contingent Payment requirement, or of an adjustment in the monthly amount of any such requirement, the CAA will notify SECOND PARTY of the monthly amount or adjustment in monthly amount of the required Contingent Payment.

5. Facility Payment, as set forth in Article 6.C of this Agreement – on or before the first day of each month, SECOND PARTY will remit to the Trustee the Facility Payment for that month if due and payable.

6. All Facility Payments, Contingent Payments, MAG Payments, Percentage Payments, and the CFC Remittances shall be tendered in lawful currency of the United States, by check—or may be by electronic transfer if CAA (in the case of Payments) and the Trustee (in the case of CFC Remittances), provides electronic transfer instructions—and free from all claims or setoffs of any kind against CAA. In the event technological advances make point of sale Gross Revenue reporting and payment transfers more economically feasible, the CAA, after considering the economic impact to both the SECOND PARTY and the CAA, may revise how payment remittances may be made. Any and all equipment and transmission changes necessary to accomplish the change in the reporting and/or remittance process will be the responsibility of the SECOND PARTY.

7. **All Facility Payments, Contingent Payments, MAG Payments, Percentage Payments, and the CFC Remittance shall be made on behalf of all rental car brands in the Brand Family, utilizing one check (or one electronic transfer, if CAA accepts electronic payment and provides electronic transfer instructions) for the Brand Family.**

8. Activity reporting, including gross receipts, Net Gross Receipts, Transactions, Transaction Days and CFCs, shall be submitted in a single monthly report on behalf of the Brand Family, with gross receipts and net receipts broken out within the report for each current rental car brand within the Brand Family.

9. MAG Payments, Percentage Payments, the Customer Facility Charge Reporting Form, and the Receipts Reports shall be remitted to:

Connecticut Airport Authority
Financial Unit
334 Ella Grasso Turnpike, Suite 160
Windsor Locks, Connecticut 06096

Receipts Report and Customer Facility Charge Reporting Form should be emailed to:
APTStatistics@ctairports.org

Electronic ACH Payment information will be provided securely by CAA upon request

Facility Payments, CFC Payments, Contingent Payments, and the Customer Facility Charge Reporting Form shall be remitted to:

Customer Facility Charge Reporting Form:
Ms. Dawn Heintz
Assistant Vice President
U.S. Bank
225 Asylum Street
Hartford, CT 06103

Reporting should also be emailed to: dawn.piccoliheint@usbank.com

Check Payments:
Should be made payable to "**US Bank"** with "CAA" and the payment type clearly referenced on check

Mail to:
US Bank
Corporate Trust Boston
SDS 12-2302 BOSLOCKBXAC1
PO Box 86
Minneapolis, MN 55486-2302

Electronic ACH Payment information will be provided securely by CAA upon request.

Or to any other address where the CAA instructs the SECOND PARTY in writing to submit the respective payments, remittances and reports.

10. An annual reconciliation as described in Section 6.G of this Agreement shall address any cumulative overpayment or underpayment of the Concession Fee

11. The forms of the statements of Gross Receipts and CFC collections to be submitted each month are set forth as Exhibits E and G, respectively. With appropriate written notice to SECOND PARTY, the CAA reserves the right to prescribe or change reporting forms, their method and time of submission, and the payment schedule. Only those exclusions to Gross Receipts that are expressly authorized under Section 6.K. of this Agreement, that are identified clearly and separately on the statement of Gross Receipts, and that are supported by sufficient documentation will be allowed.

12. If any Payment due the CAA remains unpaid on the succeeding monthly due date(s), interest shall be due and billed thereon at the rate of one and one-half (1.5%) percent per month. Any money due the CAA discovered through an audit shall have interest due and billed thereon at one and one-half percent (1.5%) per month accruing from the due date(s). Checks will be applied first to any open interest then to oldest outstanding invoices until fully applied.

E. Books and Records. SECOND PARTY will maintain its books and records in such a manner to enable the preparation of financial statements as required by the CAA in accordance with generally accepted accounting principles and the calculation of the percentage of Net Gross Receipts payments as prescribed in this Agreement.

F. Location for Books and Records. SECOND PARTY shall maintain at a location within the State of Connecticut or another reasonable location as may be approved in advance by the CAA in a manner acceptable to the CAA, true and complete records and accounts of all items and transactions necessary to prepare and verify the accuracy of the financial position and results of the rental car operations. SECOND PARTY agrees to give the CAA's authorized representatives access upon at least 24 hours' prior written notice.

G. Annual Statement of Gross Receipts and Other Financial Information. SECOND PARTY agrees to have prepared and delivered to the CAA, in the format, manner and frequency specified by the CAA and at the SECOND PARTY's own expense, Receipt Reports, Statements of CFCs and any other financial statements or information pertinent to the payments due hereunder in the form(s) requested by the CAA (collectively Statements of Gross Receipts). The Statement of Gross Receipts must reflect the results of SECOND PARTY**'**s operations subject to this Agreement, and must not be combined or consolidated with the results of any other enterprise or operations. However, the Statement of Gross Receipts must present the annual operating activity of each Rental Car Brand of the SECOND PARTY's Brand Family separately. The annual Statement of Gross Receipts shall be prepared and delivered to the CAA annually within sixty (60) days from each of the following: (i) the end of each Agreement Year or Partial Agreement Year of the Term of this

Agreement, and (ii) the effective date of the early termination of this Agreement in the event of termination prior to the expiration of the Term.

The Statement of Gross Receipts, must detail by month the types of receipts earned for the month (Total Gross Receipts) and then specifically itemize the Permitted Exemptions from Gross Receipts to derive Net Gross Receipts subject to the Percentage Fee. The Statement of Gross Receipts must also provide a monthly calculation of the amounts due the CAA, such calculation reflecting the cumulative nature of the Concession Fee for the Brand Family, the Facility Payments for the Brand Family, the Contingent Payments for the Brand Family, as well as the CFC Remittances for the Brand Family. The information presented on the Statement of Gross Receipts must be reconciled to the amounts previously reported and paid to the CAA on a monthly basis. Identified variances should be explained along with an outline of steps to be taken to prevent future reporting inconsistencies.

H. Audit Requirements. SECOND PARTY shall have an audit of the Statement of Gross Receipts performed by an independent third-party CPA firm in accordance with generally accepted auditing standards, with the auditor expressing an "in relation to" opinion on the Statement of Gross Receipts. While it is the intent of the CAA to rely on the certified statement(s) of the CPA, the CAA hereby reserves the right to review, examine and/or audit the records of SECOND PARTY, including electronic versions, and the work papers of the CPA, including electronic versions. The purpose of the audit is to provide independent verification of the Gross Receipts, Net Gross Receipts, Facility Payments, Contingent Payments and CFCs reported, and will include an evaluation of the following:

i. The reliability and integrity of the financial records presented by the SECOND PARTY to the CPA to properly reflect the various applicable monetary aspects of the Brand Family operations for which payments are made to the CAA under this Agreement;

ii. The system of record keeping utilized by the SECOND PARTY pursuant to this Agreement is sufficient and adequate to capture and properly reflect all revenues due the CAA hereunder;

iii. The payments due the CAA are computed correctly and in accord with the terms of this Agreement and the laws of the State of Connecticut; and

iv. Recommendations, if any, that in the opinion of the CPA would improve the fiscal relationship of the Rental Car Brands within the Brand Family as well as with the CAA with regards to this Agreement and any suggestions on ways the SECOND PARTY's internal controls may be improved.

If the CAA makes or has its own audit made of any Agreement Year, and the Gross Receipts and business transacted shown by the SECOND PARTY's Statements of Gross Receipts for such Agreement Year are found to be understated by more than three percent (3%), the SECOND PARTY shall pay to the CAA the reasonable cost of such audit.

I. **Pass Through of Concession Fee**. Nothing in this Agreement will be construed to prohibit SECOND PARTY's collection of an itemized concession recovery. SECOND PARTY

acknowledges that the Concession Fee payments by SECOND PARTY to the CAA under this Agreement are for SECOND PARTY's use of the facilities and access to the Airport market, and that none of those payments reflect a fee that is imposed by the CAA upon customers renting Cars from SECOND PARTY. The CAA does not require, but will not prohibit, the separate statement of the Concession Fee on customer invoices or rental contracts provided that SECOND PARTY meets all the following conditions:

1. Such fee is titled "Concession Recovery Fee" and shall not exceed eleven and eleven one hundredths percent (11.11%) of the Gross Receipts resulting from that rental contract so long as the Percentage Fee is set at ten percent (10%); the Concession Recovery Fee may be increased to no more than the amount necessary for full recovery of the effective (compounded) Percentage Fee if the Percentage Fee rate is adjusted to a rate greater than ten percent (10%) under Section 6.K.2;

2. Such fee shall be indicated immediately below all concessionable items and not immediately adjacent to taxes on customer invoices;

3. SECOND PARTY complies with all applicable laws including Federal Trade Commission requirements;

4. SECOND PARTY shall not identify, treat or refer to the Concession Recovery Fee as a tax; and

5. If SECOND PARTY elects to separately state on its customer rental agreements and recover from its customers its Concession Fee, SECOND PARTY agrees to state any such amount as no more than SECOND PARTY's Concession Recovery Fee as provided in this Section and in a manner such that it cannot be construed by an Airport Customer to be mandated by the CAA.

J. Pass Through of Other Payments. Not less than thirty (30) days prior to implementing any plan to pass through, unbundle, or list as a separate item on its customer invoices any payments (other than a Concession Recovery Fee and Customer Facility Charge) payable to the CAA, SECOND PARTY shall notify CAA solely for CAA review of the plan and the nomenclature to be used for such pass through of fees, which shall not be implemented before receipt of written CAA approval, which shall not be unreasonably withheld or delayed.

K. <u>Gross Receipts and MAG</u>.

SECOND PARTY agrees to pay to the CAA each month the Concession Fee which shall be the greater of the MAG or the Percentage Fee as determined for said Agreement Year, both as more particularly described below.

1. **<u>Net Gross Receipts</u>** are defined as Gross Receipts (defined below) less Permitted Exemptions (defined below).

   a) **Gross Receipts** are defined as all monies paid or payable to SECOND PARTY by Car rental customers in the operation of SECOND PARTY's Rental Car Business, including the Permitted Activities, *under a rental agreement or other contract*

entered into with a customer, with the customer's pick-up of the Rental Car, or pick-up of the customer for transport to the Car, taking place at the Airport, regardless of the ownership, or location assignment of the Rental Car, or the location to which the customer returns the Rental Car, net of any discounts, coupons, or credits at the time the rental contract is closed; and

b) **Permitted Exemptions** are defined as follows:

(i) Federal, state, or local sales or similar taxes, which are separately stated and collected by SECOND PARTY from the customer;

(ii) Insurance proceeds and other sums received by SECOND PARTY directly from customers or third parties, in compensation for damages to Rental Cars and other property of SECOND PARTY, to the extent such amounts do not exceed the actual cost of repair of the damage to, or replacement of, the Rental Car or other property;

(iii) Amounts received by SECOND PARTY for loss, conversion, or abandonment of its Rental Cars or other personal property;

(iv) Amounts received by SECOND PARTY in reimbursements for parking tickets, traffic fines, tolls, towing and impound recovery charges, and penalties for other traffic violations. Administrative fees incurred by SECOND PARTY related to the collection of such reimbursements are NOT permitted exemptions; third-party collection fees collected directly from a customer and retained by and/or paid to a third-party collector collecting on behalf of SECOND PARTY, are not considered received by SECOND PARTY under this paragraph;

(v) Proceeds from the sale of its Cars or from the sale of other assets not sold as products in connection with Car rental transactions;

(vi) Customer Facility Charges ("CFCs") (as described in Article 7).

(vii) Amounts received as income tax refunds, property tax refunds, or other tax refunds.

Except for the Permitted Exceptions explicitly set forth above, all revenues shall be included in the calculation of Gross Receipts and Net Gross Receipts. SECOND PARTY's exclusion from Gross Receipts or Net Gross Receipts of any revenues required to be included under this Agreement shall be a default by SECOND PARTY.

SECOND PARTY agrees that it will not divert revenue from SECOND PARTY's Rental Car Business concession authorized by this Agreement from being included in Gross Receipts. Diversion includes, but is not be limited to, SECOND PARTY advising or suggesting to a customer or potential customer arriving or planning to arrive at the Airport that such customer or potential customer rent a Car at any off-Airport location, regardless of the reason.

SECOND PARTY agrees that it will not rename or revise any Gross Receipts, fees, charges, or other revenue, or falsify any of its records, in an attempt to avoid payment of, or reduce Gross Receipts, or reduce payment of any other charges or fees due and owing to the CAA hereunder.

2. **Adjustment of Percentage Fee.** The Percentage Fee of Net Gross Receipts payable by SECOND PARTY and the other RACs will be subject to adjustment at the end of the fifth Agreement Year, and if applicable the tenth Agreement Year, and the fifteenth Agreement Year, to match any new prevailing customary percentage fee (exclusive of any component for space rent, transportation, SECOND PARTY facilities or other capital costs) paid by on-airport rental car concessionaires at twenty-five percent (25%) or more of Medium Hub and Large Hub airports (as classified by the FAA) in the United States, or at twenty-five percent (25%) or more of the Small Hub, Medium Hub and Large Hub airports (as classified by the FAA) in the region, defined as New England, White Plains, and Albany, and expressly excluding airports operated by the Port Authority of New York and New Jersey. CAA will notify SECOND PARTY no later than sixty (60) days preceding the end of the respective Agreement Years subject to a revision of Percentage Fee, and SECOND PARTY will be obligated to utilize such Percentage Fee as revised in the determination of the applicable Concession Fee.

3. **Minimum Annual Guarantee**. In each case below, (i) the intent is that each Incumbent (or in the event of an Extension Term, an On-Airport RAC) will have its Market Share attribution for purposes of MAG allocation reduced proportionally so that, with the inclusion of a New Entrant's MAG, the total MAG to the CAA will remain the same as the total of all then-Incumbent MAGs in the absence of a New Entrant, and (ii) within thirty days after the CAA has received all On-Airport RAC revenue data for the applicable period of time set forth below of a New Entrant operating in the CONRAC, the CAA shall, having performed the applicable calculations described above, provide to each Incumbent written notice of its new adjusted MAG and the detailed calculation by which it was derived.

4. **Establishment of the MAG and the MAG Floor**

a. Establishment of the MAG and the MAG Floor for Incumbents (without Initial New Entrant)

1. If the SECOND PARTY is an Incumbent, the MAG for the Partial Agreement Year and the first Agreement Year (the timeframe from the Commencement Date to the first day of the second Agreement Year) ("Commencement MAG") if there are no New Entrants operating from the CONRAC as of the Commencement Date, shall be the greater of (i) eighty-five percent (85%) of SECOND PARTY's Percentage Fee (the then-applicable percentage of Net Gross Receipts) for the previous Agreement Year (under the Pre-Existing Agreement), or (ii) the MAG Floor in effect under the Pre-Existing Agreement the day before the Commencement Date, which MAG Floor will continue to apply through the end of the fifth Agreement Year in the Initial Term .

2. Beginning with the second Agreement Year and for each Agreement Year through the end of the Term, SECOND PARTY's MAG shall be the greater of (i) eighty-five percent (85%) of SECOND PARTY's Percentage Fee (the then-applicable percentage of Net Gross Receipts) for the previous Agreement Year; or (ii) the then MAG Floor under the preceding or following paragraph, as applicable.

3. Beginning with the sixth Agreement Year, and every fifth Agreement Year thereafter throughout the Term, SECOND PARTY's MAG Floor shall be reset to eighty-five percent (85%) of SECOND PARTY's Percentage Fee (the then-applicable percentage of Net Gross Receipts) for the immediately prior Agreement Year.

b. Establishment of the MAG for an Initial New Entrant

1. If the SECOND PARTY is a New Entrant that commenced operations at the CONRAC on the Commencement Date ("Initial New Entrant"), the Commencement MAG will be that amount set forth in the Bid/Proposal of the SECOND PARTY submitted to CAA or such other MAG amount reasonably determined by CAA in its sole discretion, which amount shall also be SECOND PARTY's MAG Floor in effect from the Commencement Date until the beginning of the sixth Agreement Year.

2. Beginning with the second Agreement Year through the beginning of the sixth Agreement Year, and every fifth Agreement Year thereafter throughout the Term, SECOND PARTY's MAG shall be the greater of (i) eighty-five percent (85%) of SECOND PARTY's Percentage Fee (the then-applicable percentage of Net Gross Receipts) for the previous Agreement Year; or (ii) the MAG Floor under the preceding or following paragraph, as applicable.

3) Beginning with the sixth Agreement Year, and every fifth Agreement Year thereafter, throughout the Term, SECOND PARTY's MAG Floor shall be reset to eighty-five percent (85%) of SECOND PARTY's Percentage Fee (the then-applicable percentage of Net Gross Receipts) for the immediately prior Agreement Year.

4) The provisions of this subsection shall apply, and be adjusted accordingly, anytime there is a New Entrant to the ConRAC Facility.

c. Establishment of the MAG for Incumbents (with Initial New Entrant)

1. If the SECOND PARTY is an Incumbent and there is an Initial New Entrant operating from the CONRAC as of the Commencement Date, SECOND PARTY's Commencement MAG will be the greater of (i) eighty-five percent (85%) of SECOND PARTY's Percentage Fee (the then-applicable percentage of Net Gross Receipts) for the previous Agreement Year (under the Pre-Existing Agreement), or (ii) the MAG Floor in effect under the Pre-Existing Agreement the day before the Commencement Date, which MAG Floor will continue to apply through the end of the first twelve months of operation by the Initial New Entrant (SECOND PARTY's "Initial MAG Floor")RAC.

2. Beginning with the thirteenth full calendar month after the Initial New Entrant begins operating in the CONRAC, the MAG of each Incumbent will be reduced by the percentage Market Share of the Initial New Entrant for its first twelve full calendar months operating in the CONRAC, multiplied by the respective Incumbent's percentage share of the remainder of the market for that same period. However, if the Initial New Entrant had already established a share of the BDL rental car market by payment of concession fees and CFCs as an off-airport rental car concessionaire—required to pick up and drop off customers at the CONRAC—for at least twelve full calendar months prior to admission into the CONRAC, then the percentage by which each Incumbent's MAG will be adjusted beginning with the thirteenth full calendar month after the Initial New Entrant began operating in the CONRAC will be the percentage Market Share of the Initial New Entrant for its first twelve full calendar months operating in the CONRAC, minus the Initial New Entrant's Market Share percentage for the twelve full calendar months before admission into the CONRAC, multiplied by the respective Incumbent's percentage share of the remainder of the market for the Initial New Entrant's first twelve full calendar months operating in the CONRAC, hereafter "Modified MAG," pro-rated for any period to the beginning of a new Agreement Year. The Modified MAG for each respective Incumbent will reset and be that Incumbent's new MAG Floor ("Modified MAG Floor") which will be prorated for any partial Agreement Year will continue through the end of the fifth Agreement Year of the Initial Term. Similar MAG modification shall occur anytime a New Entrant is added to the ConRAC. For clarification, it is the intent for the aggregate MAGs due the CAA from all RACs operating at the CONRAC (including the New Entrant) to be no less in total then it was before the New Entrant entered the CONRAC.

3. Beginning with the second Agreement Year and for each Agreement Year through the end of the fifth Agreement Year in the Initial Term, SECOND PARTY's Modified Commencement MAG shall be the greater of (i) eighty-five percent (85%) of SECOND PARTY's Percentage Fee (the then-applicable percentage of Net Gross Receipts) for the previous Agreement Year; or (ii) the then Modified MAG Floor under the preceding or the MAG Floor under the following paragraph, as applicable.

4. Beginning with the sixth Agreement Year and every fifth Agreement Year thereafter throughout the Term, SECOND PARTY's MAG Floor shall be reset from the Modified MAG Floor to eighty-five percent (85%) of SECOND PARTY's Percentage Fee (the then-applicable percentage of Net Gross Receipts) for the immediately prior Agreement Year.

5. The provisions of this subsection shall apply, and be adjusted accordingly, anytime there is a New Entrant to the ConRAC Facility.

L. Taxes and Other Exactions. SECOND PARTY is responsible for payment, in a timely fashion, directly to the applicable taxing authority, of any applicable tax or other exaction assessed or assessable as the result of its conduct of business at the Airport under authority of this Agreement, including any tax payable to the CAA**.**

M. **Survival.** The provisions of this Article shall survive the expiration or early termination of this Agreement, as the same may be supplemented, extended and/or renewed, and any holdover period. Without limiting the generality of the foregoing, SECOND PARTY's obligation to pay any and all Ground Rent or other required payment which is not satisfied upon the expiration or earlier termination of this Agreement, shall survive such expiration or earlier termination, and any holdover period, and continue to be subject to the provisions of subparagraph C. 3, above.

ARTICLE 7. CUSTOMER FACILITY CHARGES

A. **CFC Authorization**. The CAA has adopted and will maintain a uniform CFC rate per Rental Car per Transaction Day on Rental Car customers at the Airport. SECOND PARTY shall include the CFC in all forms of reservations and shall charge rental car customers the CFC rate in effect at the beginning date of a given rental car transaction period per Car per Transaction Day, without regard to the date the Rental Car reservation was made. SECOND PARTY is not permitted to waive or discount the CFC or alter the amount of its rental charges or number of rental days invoiced in order to limit or exclude Transaction Days from the calculation of CFCs.

B. **CFC Rate Adjustment.** If the CAA, in its sole discretion consistent with the Bond Documents and this Agreement and after notice to and consultation with SECOND PARTY and the other RACs, determines that it is necessary to adjust the CFC rate in order to pay for the Annual CFC Program Requirements and to produce surpluses for the purposes of paying the costs set forth in subsection I of this Article 7, upon at least thirty (30) days written notice from the CAA, the SECOND PARTY shall be obligated to include the adjusted CFC rate in all forms of reservations no later than twenty (20) days before the effective date of the change, and charge and collect the CFC Remittances reflecting the adjusted CFC rate for all car rental periods that begin on or after the effective date of the CFC rate change regardless of when the rental car reservation was created. For purposes of clarity, all car rental transactions, regardless of when the reservation was created, whose rental period begins prior to the effective date of the CFC rate change and ends on or after the effective date of the CFC rate change, shall be deemed a "straddle rental" and shall be charged the expiring CFC rate per Car per Transaction Day through the entire rental period.

C. **CFC Collection and Remittance**. SECOND PARTY shall promptly remit to the Trustee the CFC revenues as set forth herein or in the Bond Documents. The SECOND PARTY covenants and agrees that it will not be entitled to any rights to offset or other reduction in the requirements herein and to remit to the Trustee the amount of all CFCs required to be collected regardless of any amounts that may be owed or due to the SECOND PARTY by CAA. All CFC's collected by the SECOND PARTY shall be trust funds held for the benefit of the Trustee on behalf of bondholders by pledge under the Bond Documents. The SECOND PARTY shall have only a possessory interest and not an equitable interest in CFC collections. The SECOND PARTY hereby consents to such pledge and acknowledges the Trustee's security interest in the CFC collections as the Trustee's bailee under the Bond Documents. SECOND PARTY shall segregate, separately account for and disclose all CFCs as trust funds in SECOND PARTY's financial statements, and shall maintain adequate records that account for all CFCs charged and collected. Failure to segregate the CFCs shall not alter or eliminate their trust fund nature.

D. **Designation of the CFC.** SECOND PARTY shall list the CFC separately on its customer invoice, describing it as a "Customer Facility Charge," or with such other words as CAA shall approve in

writing, and shall charge the fee in connection with each and every rental car contract entered into with an Airport Customer, utilizing the Transaction Day.

E. **Reporting and Remitting.** SECOND PARTY shall remit the CFC revenues, together with the monthly Customer Facility Charge Reporting Form set forth in Exhibit G to the address stated therein, with a copy to the CAA, to be received by the Trustee no later than the twentieth (20^{th}) day of the month following the month in which the CFC revenues were collected or should have been collected from its Airport Customers**.** In the event of a change to the CFC rate as provided for in Article 7.B, SECOND PARTY shall report separately Transaction Days charged at the expiring CFC rate and those Transaction Days charged at the new CFC rate on the Customer Facility Charge Reporting Form.

Any CFC not remitted by the date due under this Section 7.E shall bear interest at a rate of one and one-half percent (1.5%) compounded daily, and calculated from the date payment was due until the date of receipt of such payment as specified under the Bond Documents. Failure to strictly comply with this reporting and remitting requirement shall be considered a material breach of the SECOND PARTY's authorization to do business at the Airport. CAA shall have the right to audit the CFC records upon reasonable notice to SECOND PARTY. Any or all of the CFCs shall be deposited with and held in trust by the Trustee.

F. **CFC Program**. SECOND PARTY and CAA acknowledge and agree that, after consultation with the On-Airport RACs, CAA has the sole discretion regarding the rate amount, duration of collection, and uses for CFCs, subject to the requirements of the Bond Documents. The priorities of uses for CFC Revenues during the Term are as set forth in this Article.

G. **Priority of Use.** For each Agreement Year beginning with the Partial Agreement Year through the end of the Term hereof, revenues from the CFC shall be used in each such Agreement Year to pay, in the following order of priority, the following: (a) the Annual CFC Program Requirements previously defined in Article 5.A.4; and (b) the balance to the CFC Surplus Fund to be used in the priority described in Section I of this Article.

H. **Renewal and Replacement Fund**. The annual contribution to the Renewal and Replacement Fund each Agreement Year will be made pursuant to the Bond Documents prior to any CFC Revenues being deposited into the CFC Surplus Fund.

I. **Surplus CFC Revenues.** CFC Revenues remitted to the Trustee in excess of the Annual CFC Program Requirements shall be transferred to the CFC Surplus Fund held by and managed by the Trustee which can, at the reasonable discretion of the CAA, be made available for the following purposes. To the extent Surplus CFC Revenues are available after the end of each Agreement Year, Surplus CFC Revenues will be applied by the CAA in the following priority order:

1. Reimburse CAA for Major Maintenance cost funded by the CAA pursuant to Article 9.C.

2. Reimburse CAA Project Contribution. Surplus CFC Revenues shall be used to repay the CAA, on the terms set forth in Article 5.B for any funds advanced to pay for Project Costs not otherwise funded by collected CFC revenues or Bond proceeds;

3. Reimburse any CAA Project Contribution 10-year Amortization payments from any previous year that were unable to be made due to lack of funds in a previous year *(e.g. 10-yr amortization payments at 6.0% interest on a $5M project contribution would equal approx. $679k/yr. If in Year 2, CFC Surplus Funds were insufficient to make the entire $679k payment, but in Year 3 CFC Surplus Funds were more than sufficient to pay the Year 3 $679k payment, the next priority use of any remaining CFC Surplus Funds would go to pay the deficiency in the Year 2 $679k amortization payment before flowing through the remainder of the CFC Surplus waterfall.);*

4. Reimburse the RACs, on a Pro Rata Share basis, for all RAC Facility Payments which have been made;

5. Reimburse the RACs, on a Pro Rata Share basis, for all Contingent Payments which have been made;

6. Accommodation of New Entrant. One hundred percent (100%) of Incumbent On-Airport RAC costs of relocation to accommodate a future Additional New Entrant, or Facility Manager costs associated with modifications to the CONRAC to accommodate such Additional New Entrant, as set forth in Article 1. Costs incurred by the Additional New Entrant may be reimbursed only to the same extent, if any, that similar costs of the Incumbent On-Airport RACs and original New Entrant were reimbursed;

7. CONRAC Common O&M Costs. As set forth in Article 5 herein, excess CFC Revenues may be used, or disbursed to the On-Airport RACs as reimbursement, for the amount previously paid by the On-Airport RACs as CONRAC Common O&M Costs during the Term on the same Pro Rata Share basis as the CONRAC Common O&M Costs were paid.

8. Fund CONRAC Major Maintenance and Renewal Costs to the extent not covered by or to replenish the Renewal & Replacement Fund, after completion of an Agreement Year;

9. Reimburse any remaining outstanding balance of CAA Project Contribution, including any accrued but unpaid interest;

10. Pay for any lawful purpose applicable to the RAC program as determined by the CAA in its sole and reasonable discretion.

J. Evaluation of CFC Program. The CFC shall be reviewed at least annually and may be adjusted periodically by the Executive Director, in his/her sole discretion, with the intent that to the extent reasonably feasible under the circumstances, CFC proceeds will be sufficient, without projected revenue from Contingent Payments, to meet all covenants and requirements with respect to the Bonds under the Bond Documents on a current and ongoing basis. In the event either Transaction Days or CFC collections for any calendar year drop to 80% or less than projected for that calendar year in the final feasibility report published in connection with the sale of bonds or other financing for the Project, then the Executive Director will both obtain an independent expert rate report and implement the recommended CFC adjustment, up to ten percent (10%) higher than the highest CFC rate at any airport in New England. Notwithstanding the foregoing, the CAA reserves the right to raise the CFC rate further, at its sole discretion, if it desires to do so, and to change the Contingent Payments pursuant to this Agreement if raising the CFC rate up to ten percent (10%) higher than any

airport in New England does not meet Bond requirements and coverage. The Executive Director shall give RACs not less than thirty (30) days' notice and opportunity to comment before issuing a written directive on adjusting or maintaining the CFC rate, plus thirty (30) days' written notice prior to implementing a change in the CFC.

K. Contingent Payment. Should the actions set forth in Section 6.J. above fail to completely offset the Net CFC Deficiency necessary to meet the Annual CFC Program Requirement, or if the passage of time to achieve the completion of the actions set forth in Section 6.J. above fails to meet the Annual CFC Program Requirement timeframes for any Agreement Year, the CAA acting promptly and using good faith efforts after written notice to the On-Airport RACs will determine if the On-Airport RACs will be required to pay to CAA a Contingent Payment, to offset the Net CFC Deficiency for any applicable Agreement Year. The imposition of Contingent Payment to the On-Airport RACs by the CAA is subject to the following:

1. The Contingent Payment will commence upon the first day of the month following thirty (30) day's prior written notice from CAA to the On-Airport RACs. In the event that a Contingent Payment was imposed during the Term and subsequently thereto, CFC Revenues in any Agreement Year exceed or are forecasted to exceed the Annual CFC Program Requirement, CAA shall promptly notify the On-Airport RACs in writing of the date of the termination of the Contingent Payment obligation. Contingent Payment paid by the On-Airport RACs prior to the termination of the Contingent Payment obligation that has not been previously reimbursed by the CAA (as set forth in Section 6.L) is referred to herein as "Paid Contingent Payment."

2. This Contingent Payment obligation and the use of CFC funds are and will remain subject to the rights provided to the CAA under the Trust Indenture. The provisions of pass through payments allowed by CAA elsewhere in this Agreement notwithstanding, in the event Contingent Payment is imposed on the On-Airport RACs, the On-Airport RACs may not pass through, unbundle, or list Contingent Payment as a separate item on its customer invoices.

3. For any Agreement Term, SECOND PARTY's share of any Contingent Payment shall be determined on the basis of its Pro Rata Share.

ARTICLE 8. CONSTRUCTION BY RACS

A. SECOND PARTY shall not undertake any new construction, renovation or improvement except in compliance with and pursuant to the subsections of this Article 8.

B. All final plans and specifications for new construction, renovations, and improvements shall be subject to the review and written approval of the CAA Office of Planning, Engineering and Environmental before SECOND PARTY may start any corresponding construction. A building permit shall be secured by SECOND PARTY from the CAA Building Official. SECOND PARTY shall process its request for any such permit through the CAA Office of Planning, Engineering and Environmental. Final approval and notice to proceed must be issued by the Office of Planning, Engineering and Environmental or its successor or assign to RACs before any construction-related activities may begin.

C. Final design and construction plans for all new construction, renovations, and improvements, shall be sealed and certified, as appropriate, by a State of Connecticut licensed architect for building structures and also by a Connecticut licensed professional engineer for all structures, roads and utilities. All persons providing such certifications shall have recognized standing in the State of Connecticut and shall be appropriately registered in the State of Connecticut. Subject to Uncontrollable Circumstances, within thirty (30) days after receipt of construction plans and specifications from SECOND PARTY, the CAA shall inform SECOND PARTY of modifications it requests, if any, to the plans and specifications to secure the CAA's approval thereof.

D. The CAA may require Performance and Payment Bonds for construction, renovation or improvements. The SECOND PARTY will be responsible for submitting required building permits application forms through which the CAA will determine at its sole discretion the requirement for Performance and Payment Bonds. The SECOND PARTY will be required to submit from all contractors performing work a Certificate of Insurance naming the CAA as an additional insured. Payment and Performance Bonds when required shall be submitted prior to the issuance of a permit and shall be for the full amount of the Tenant Improvement contract

E. The involvement of the Office of Planning, Engineering and Environmental in any review of proposed construction, renovations or improvements shall not be construed as approval in lieu of any other regulatory or other legal requirements. Furthermore, the CAA shall not be liable on any account in its conduct in connection with any review and/or approval process and SECOND PARTY shall save the CAA harmless from any inaccuracies or errors in the Plans and Specifications and from any consequences arising from actions of SECOND PARTY undertaken in connection with this Agreement and any and all construction, renovations and other improvements. FAA approval of all aspects of the design and construction on the Project Premises, to any extent required, shall be SECOND PARTY's responsibility. SECOND PARTY shall have the sole responsibility to obtain, execute and comply with any and all environmental and other permits and regulations which may apply.

F. Before any occupancy, SECOND PARTY shall submit to the CAA and to the CAA's Building Official appropriate certification by a Connecticut registered architect, certifying that all work has been completed in accordance with the plans and all applicable laws, regulations and codes.

G. The CAA reserves the right, at its discretion, to take possession of any soil material at the existing site that may be surplus to the Project. SECOND PARTY shall notify the CAA of the availability of any such soil. Any material claimed by the CAA shall be delivered by SECOND PARTY to the area within the boundaries of the Airport designated by the CAA in a mutually agreed upon fashion. Should the CAA not designate such an area within five (5) business days of notice by SECOND PARTY, SECOND PARTY shall be relieved of any obligation to deliver the material as directed by the CAA and may otherwise dispose of it. It will be SECOND PARTY's responsibility to remove and properly dispose of any and all existing materials not claimed by the CAA. Any material that is not claimed by the CAA shall not be disposed of at any location at the Airport unless specifically approved in writing by the CAA's designated representative. The intent of this paragraph is for the purpose of salvaging suitable soils for other uses at the Airport. **Any materials/fill brought onto the Project Premises shall be "clean fill" as described in State Regulations 22a-209-1. The CAA reserves the right to request laboratory test results for compliance with state regulations.**

H. The parties hereto mutually agree that all new construction, renovations or improvements constructed or installed by RACs shall become and remain the property of the CAA subject to SECOND PARTY's rights under the lease and operating agreements. At the expiration and/or cancellation of this Agreement or any extension hereof, SECOND PARTY shall have the right to remove from the Premises only its moveable personal property. SECOND PARTY shall repair any damage to the Premises resulting from such removal and restore the Premises to the same physical condition existing immediately before the removal, at no expense to the CAA. In the event SECOND PARTY fails to fulfill this obligation within a reasonable time when requested in writing by the CAA, the CAA shall at its option arrange to have the work done and shall bill SECOND PARTY for all expenses incurred.

I. SECOND PARTY shall bear all costs and expenses for the construction, renovation and/or improvement, which shall include all utility connections and any current or future metering that may be required and shall bear all the risks of loss of and/or damage to any materials and/or partially completed facilities prior to the date of approval and acceptance by the CAA. The CAA shall approve all construction , renovations and improvements as having been fully completed by SECOND PARTY in accordance with the approved final construction plans and specifications, by issuance of a letter of acceptance from the Office of Planning, Engineering and Environmental to SECOND PARTY, which approvals shall not be unreasonably withheld, and which letter, or a written notice of any deficiencies asserted by the CAA, shall be provided within thirty (30) days of SECOND PARTY's request for such letter of acceptance.

J. SECOND PARTY shall provide and maintain or cause to be provided and maintained, at their own expense, all required fire alarm and control systems and all required utility systems (including

metering devices) such as water, sewer, electricity, gas and telephone within the CONRAC facility, except that to the extent such systems are common with the CAA Premises which are outside the CONRAC facility, they shall be pro-rated with the CAA. SECOND PARTY shall have the right to connect to all common utilities and to obtain such rights as may be required for water, sewer, power, telephone and any utility lines or facilities for the performance of the terms, conditions and covenants herein contained; provided, however, that no common sewer shall be used for the disposal of industrial waste and SECOND PARTY shall not discharge waste material that exceeds the limits or character permitted at the time. SECOND PARTY shall comply with all applicable federal and state Environmental Laws throughout the entire Term of this Agreement. SECOND PARTY's obligations as aforesaid shall include submission of all permit applications and forms to the CAA, but SECOND PARTY shall have no obligation for remediation, testing, monitoring, or reporting on any contamination that constitutes a violation of Environmental Laws (a) that predates SECOND PARTY's use or occupancy thereof under the terms of the Prior Leases; or (b) that results solely from the actions or inactions of the CAA or its agents or predecessors; provided that nothing herein relieves SECOND PARTY of such obligation for any activity at the Airport conducted by or on behalf of SECOND PARTY in contemplation of this Agreement. SECOND PARTY shall pay the costs of all utilities in accordance with the amount of use and/or consumption.

K. The CAA reserves the right, at its own expense, to perform construction inspections at times appropriate to the construction process, for the purpose of assuring conformity to approved plans and specifications, and as requested by or as reasonably necessary for SECOND PARTY to meet its obligation under this Agreement.

L. SECOND PARTY shall deliver to the CAA two (2) complete sets of as-built plans within sixty (60) days following completion of construction and installation of all facilities. Any surety, performance or construction bond issued for the construction or installation of the facilities shall not be released until such as-built drawings are received by the CAA.

M. The CAA's approval of the Plans and Specifications shall not be construed as approval in lieu of, or relieve RAC of, any other federal, state or local regulatory requirements, laws, ordinances, and codes, including but not limited to building, structural and fire codes, throughout the Term. SECOND PARTY must ensure that the Tenant Improvements conform to all applicable federal, state or local regulatory requirements, laws, ordinances, and codes, including but not limited to Environmental Laws, building, structural, fire and safety codes, the applicable rules and regulations of the State Building Official, State Fire Marshal, and the Americans with Disabilities Act. Said designs, construction, installations and/or periodic inspections shall be certified by a registered State of Connecticut engineer.

N. Throughout the Term of this Agreement, any material alteration(s) or modification(s) to the plans, specifications, renovations and/or improvements as originally approved by the CAA shall require the CAA's written approval to be received by SECOND PARTY prior to such alteration(s) or modification(s), which approval shall not be unreasonably withheld, delayed or conditioned. A "material" modification(s) or alteration(s) shall mean any change that requires SECOND PARTY to obtain a permit or modify the terms of an existing permit prior to making such modification or

alteration, provided however, that a material modification or alteration shall not include any modification or alteration which is non-structural or of a decorative nature provided such modification or alteration does not require a permit. SECOND PARTY shall submit official notice outlining its intended modification(s) or alteration(s) to the CAA to determine if a permit will be required.

O. Indemnification. SECOND PARTY shall indemnify and hold harmless the CAA against all risks of loss and/or damage to any materials and/or partially completed renovations and/or improvements prior to the date of their approval and acceptance by the CAA, except where such damage or loss is directly and solely caused by the CAA or any employee or agent of the CAA. As a part of the foregoing conditions, SECOND PARTY shall provide insurance in accordance with the provisions of Article 11. The provisions of this subparagraph shall survive the expiration or earlier termination of this Agreement as the same may be supplemented, renewed and/or extended and any holdover period, as applicable.

P. Audit

1. Safety Audit. The CAA and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents, may, at reasonable hours upon reasonable prior written notice and coordination with SECOND PARTY for safety and avoidance of disruption, inspect and examine the premises covered by this Agreement during Term of this Agreement.

2. Records Audit. SECOND PARTY shall maintain accurate and complete Records. SECOND PARTY shall make all of its Records available upon reasonable prior written notice at all reasonable hours for audit and inspection by the CAA and its agents.

3. Requests for Audit. The CAA shall make all requests for any audit or inspection in writing and shall provide SECOND PARTY with at least two (2) business days' notice prior to the requested audit and inspection date. If the CAA reasonably suspects fraud or other abuse, or in the event of an emergency, the CAA is not obligated to provide any prior notice.

4. Records Retention. SECOND PARTY shall keep and preserve or cause to be kept and preserved all of its Records until three (3) years after (i) with respect to original construction of the Project, final payment for original construction of the Project under this Agreement, or (ii), with respect to construction after original construction of the Project, the expiration or earlier termination of this Agreement, as the same may be modified for any reason, but in no case longer than four (4) years after the record was originally created. Retention of electronically reproducible copies of records constitutes retention of the original record for purposes of this provision. The CAA may request an audit or inspection of any record at any time during its retention period. If any Claim (as defined in Article 13) or audit is started before the expiration of this period, SECOND PARTY shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.

5. Cooperation. SECOND PARTY shall cooperate fully with the CAA and its agents in connection with an audit or inspection. Following any audit or inspection, the CAA may request that RACs conduct an exit conference and RACs shall cooperate with an exit conference.

Q. Third-Part Beneficiary; Warranty. The CAA shall be identified in the Tenant Improvement Agreement as a third-party beneficiary thereto, and all warranties thereunder shall run jointly to SECOND PARTY and the CAA; which warranties the CAA accepts without requirement that SECOND PARTY provide additional warranty.

ARTICLE 9. MAINTENANCE AND OPERATION OF CONRAC

A. It is hereby acknowledged by the Parties that the SECOND PARTY, collectively and in cooperation with the other RACs, shall engage a qualified Facility Manager, pursuant to subsection I of this Article 9 on behalf of the RACs. The SECOND PARTY shall at all times act in good faith to carry out this obligation.

B. Provision of Common O&M. For the Term of the Agreement, Facility Manager shall provide for, at no cost to the CAA, , whether by self-performance or contracting, Common O&M for the following areas of the Ground Transportation Center; (1) the ConRAC and the Premises, excluding any Exclusive-Use Premises; (2) the Covered Pedestrian Bridge; (3) the Structural Components; and (4) the RAC Exclusive-Use Premises during any period during the Term of this Agreement that such space is not allocated to a particular RAC or RACs and the related equipment and improvements thereon (collectively the "Common O&M Areas"). The foregoing notwithstanding, Common O&M does not include and Facility Manager shall not be obligated to provide operating and maintenance services metered to or otherwise provided discretely with respect to, the Exclusive-Use Premises of the RACs, for which the applicable RAC bears responsibility, the Terminal Crossover Bridge, any underground utilities and improvements, or any other portion of the CAA Premises.

Common O&M services include but are not limited to all ice and snow removal or traction management, janitorial service, supplies, utilities, equipment servicing, minor repairs, waste disposal, environmental compliance and all maintenance of every kind and description required to keep the Common O&M Areas and their related equipment and improvements functionally adequate and code compliant. Common O&M services also include insurance for common areas of the ConRAC at the levels and coverage as reasonably approved by the CAA, property taxes, Agreement administration, ConRAC asset management and other administration, and all RACs self-performed and contracted services to the ConRAC not attributable to any RAC's Exclusive-Use Premises. Major Maintenance is not a Common O&M component.

C. Provision of Major Maintenance. During the Warranty Period (as defined below and set forth in Section M) Developer shall provide whether by self-performance or contracting, Major Maintenance as defined in Section M below for the CAA Premises and the Premises. For the remaining Term of this Agreement following the Warranty Period, Facility Manager shall provide whether by self-performance or contracting, but only to the extent covered by funds made available to the Facility Manager from the CFC funded Renewal and Replacement Fund established under the Bond Documents and/or available in the Surplus Fund based on the priority of uses set forth in this Agreement, Major Maintenance for the Covered Pedestrian Bridge and the Premises (including the

Structural Components). To the extent the foregoing funds are insufficient to pay the costs of Major Maintenance, the CAA, upon approval of the cost of the proposed Major Maintenance work, shall make the necessary funds available to the Facility Manager, said CAA contribution to be repaid to CAA as for the first priority under Article 7.I.

D. Life Cycle Cost Analysis. Subject to the availability of funding from the Renewal and Replacement Funds and/or availability in the Surplus Fund based on the priority for uses set forth in this Agreement, the timing for the procurement of Major Maintenance for the Terminal Crossover Bridge, Covered Pedestrian Bridge and the Premises (including the ConRAC and Structural Components)shall be generally based on the Life Cycle Cost Analysis attached as Exhibit I, which has been approved by RACs and CAA. The Life Cycle Cost Analysis shall be reviewed by the RACs and CAA, and after consultation with the RACs, will be adjusted as approved by the CAA in its reasonable discretion as necessary at the end of the Initial Term, and at the end of the First and Second Renewal Terms respectively as applicable. The adjustments to the Life Cycle Cost Analysis will be based on performance of the Terminal Crossover Bridge, Covered Pedestrian Bridge, and the Premises (including the Structural Components) and changes in anticipated costs related to the Major Maintenance. The Life Cycle Cost Analysis is also subject to special interim review by the RACs and CAA, and after consultation with the RACs, anytime CAA reasonably deems there is a material requirement for Major Maintenance.

E. Funding for Major Maintenance. Except as otherwise provided in Article 9.C, during the Term of this Agreement any cost of Major Maintenance as set forth in the Life Cycle Cost Analysis or otherwise reasonably determined by the CAA and required for the integrity of the Ground Transportation Center in excess of the amount available in the Renewal and Replacement and the CFC Surplus Fund shall be funded by the SECOND PARTY on its Pro Rata Share Basis to be collected from the SECOND PARTY and payable to the Trustee over no more than two (2) Agreement Years.

F. Annual Budget. For each Agreement Year or partial Agreement Year of the Term commencing with the Commencement Date, SECOND PARTY, in cooperation with the other RACs, shall cause the Facility Manager to prepare and finalize an Annual Budget for the operation of the ConRAC, and the provision of Common O&M for Common O&M Areas and their related equipment and improvements, for the reasonable approval of CAA. To finalize the Annual Budget for each Agreement Year, Facility Manager must deliver to CAA no later than ninety (90) days prior to the first day of the relevant Agreement Year, the proposed Annual Budget of the Common O&M Areas and their related equipment and improvements and/or other related documentation ("Proposed Annual Budget"). The Proposed Annual Budget shall be in a format and include information as reasonably required by CAA for each Agreement Year, and shall include a detailed forecast for expenditures to pay Common O&M and Major Maintenance costs. The Proposed Annual Budget will be itemized to indicate the fund source for each item, distinguishing among those items to be paid for (a) from the Renewal and Replacement Fund, (b) from RAC assessments under this Agreement, subject to a potential reimbursement or alternative payment from the CFC Surplus Fund, and (c) from any other source.

As soon as practicable, but no later than thirty (30) days prior to the first day of the relevant Agreement Year, and in coordination with the annual Evaluation of CFC Program as set forth in Article 7 of this Agreement, Facility Manager, the SECOND PARTY, the other RACs and CAA

shall meet to review the Proposed Annual Budget and such reports, in relation to increases and decreases from prior Agreement Year Annual Budget and in relation to the Annual CFC Program Requirement as defined in Article 5, and the availability of payments from the Renewal and Replacement Fund and/or CFC Surplus Fund, and address any other ConRAC related matters. Utilization of the funding included in the Renewal and Replacement Fund and/or CFC Surplus Fund for the Annual Budget shall be determined by the Bond Documents, this Agreement and as generally provided by the authorizations in Article 5 of this Agreement.

After consultation with CAA, the SECOND PARTY shall, in cooperation with the other RACs cause the Facility Manager to prepare a final Annual Budget for the upcoming Agreement Year to be approved by CAA in its reasonable discretion, and same will be put into effect for the next Agreement Year. In no event shall CAA be responsible for any expenses included in any Annual Budget for any Agreement Year, except as expressly approved and authorized by CAA in writing.

G. Annual Reconciliation. No later than sixty (60) days following the end of the partial Agreement Year, the First Agreement Year and of each subsequent Agreement Year, the Facility Manager shall prepare and deliver to CAA a reconciliation report of the approved Annual Budget and the actual expenditures for the items included in the approved Annual Budget. It is understood that the Agreement provides for an annual reconciliation of Common O&M costs funded by the RACs pursuant to the terms of this Agreement.

H. Master Facility Agreement - Provisions. SECOND PARTY, in cooperation with the other RACs, shall ensure that any Facility Management Agreement includes a provision providing that CAA, among other rights, has the right to approve the Annual Budget for the Common O&M for the Common O&M Areas and their related equipment and improvements and Major Maintenance for the ConRAC, and will reflect the procedure for approval of the Annual Budget, as well as the right to enforce all of RACs' rights and remedies under the Facility Management Agreement.

I. Exclusive O&M. The provision of and the payment for operation and maintenance of the SECOND PARTY's Exclusive-Use Premises ("Exclusive O&M"), including consumable fluids and supplies used by the SECOND PARTY (*e.g.* motor oil, windshield washer fluid, fuel for Rental Cars and other vehicles owned or otherwise used by SECOND PARTY), is excluded from Common O&M and is the responsibility of the SECOND PARTY. Any Facility Manager may, however, provide Exclusive O&M services upon request and agreement by the SECOND PARTY or other RAC leasing the subject Exclusive-Use Premises, provided that the costs of any Exclusive O&M provided by the Facility Manager must be paid for by the respective RACs according to use or allocation under this Agreement. Unless specifically authorized in writing by CAA, in the sole discretion of CAA, during the Term of this Agreement CFCs held in account by the Facility Manager will not be used to directly pay for or reimburse payment for Exclusive O&M costs.

J. Facility Manager. To accomplish the obligations under this Article with respect to Common O&M and Major Maintenance, SECOND PARTY, in cooperation with the other RACs, shall retain a qualified and experienced Facility Manager to commence services no sooner than ninety (90) days prior to Final Completion, or such earlier date specified in a service plan approved by the CAA. Such Facility Manager must be approved by CAA, in its reasonable discretion. In the event of the approval by CAA of a Facility Manager, SECOND PARTY, in cooperation with the other RACs,

will enter into a Facility Management Agreement with the Facility Manager for a term not to exceed five (5) years, in a form and for the overall cost and the annual costs approved by the CAA in writing, to manage the daily operations of the Premises and cause the Facility Manager: (a) to manage the daily operations of the Premises in accordance with this Agreement and the Facility Management Agreement; (b) to employ and retain a sufficient number of qualified personnel to fulfill its obligations under the Facility Management Agreement; (c) to operate, repair and maintain the Premises and the other components of the Ground Transportation Center as set forth in the operating and lease agreements; and (d) to be the point of contact for the CAA for all matters concerning the Premises and the operations of the RACs.

Any matters concerning this Agreement that RACs specifically retains responsibility for and/or remains as the primary point of contact for under this Agreement shall be specifically identified to the CAA in writing and approved by CAA in its reasonable discretion, prior to the execution by RACs of any Facility Management Agreement. CAA's approval of the Facility Manager, the form of the Facility Management Agreement, the term, costs, and the allocation of responsibilities under this Agreement as between the RACs and the Facility Manager are collectively referred to herein as "Facility Management Approval".

Any changes requested by RACs and/or Facility Manger related to the Facility Management Approval must be provided to the CAA in writing and CAA has sole discretion to approve or deny any such requested change or reallocation. References in this Agreement to the management and operations of the Premises shall mean and include the management and operations of the ConRAC, including the QTA and fueling improvements. As set forth in the Facility Management Agreement and in this Agreement, CAA is and shall be a third-party beneficiary to the Facility Management Agreement and may enforce compliance with the terms of the Facility Management Agreement against RACs and/or Facility Manager as appropriate. The provisions related to the Facility Manager herein are in addition to and not exclusive from the rights and privileges provided to CAA in the Facility Management Agreement.

After the RACs retain a Facility Manager as described in this Section, and subject to Facility Management Approval, references in this Agreement to obligations and duties of SECOND PARTY and/or RACs with respect to management and operational matters concerning the Premises shall mean and refer to SECOND PARTY and/or RACs' primary obligations as the lessee under Agreement and/or its obligation to cause the Facility Manager, through the Facility Management Agreement, to perform such management and operational duties. Retention of a Facility Manager shall however in no event waive any right or duty or obligation to be performed under this Agreement by the SECOND PARTY and/or RACs.

K. Maintenance Performance. The degree of maintenance provided at the Premises and the Common O&M Areas shall be at least to the same level as the CAA may require in its Policies and Procedures (codes, regulations, statutes, and rules), promulgated from time to time relating to Airport facilities of similar nature to the ConRAC, the Common O&M Areas, and land areas similar in nature to the Premises. Snow-plowing and removal responsibility will be limited to the ConRAC, including roads of ingress and egress, and will not include the ground-level Public Parking Improvements or any portion of any public street or other public roadway, or any areas beyond the boundaries of the Premises.

L. Aesthetic Requirements. SECOND PARTY shall, in cooperation with the other RACs, cause the Facility Manager to maintain a CAA approved screening fence around the QTA service yard. SECOND PARTY, in cooperation with the other RACs as a component of Common O&M will maintain the ConRAC, including the QTA and all improvements constructed on the Premises in an aesthetic condition as is consistent with the Policies and Procedures promulgated from time to time relating to Airport facilities of similar nature to the ConRAC and land areas similar in nature to the Premises.

M. Fueling. RACs shall be responsible for operation and management of the ConRAC fueling system as Common O&M, to be either self-performed or contracted, including fuel supply management, but with fuel used by the RACs to be paid for by RACs and not as part Common O&M. The provision of fuels and operation of fueling system shall be set forth in specific detail in the Fueling Terms and Conditions Agreement attached hereto, executed by the RACs. The Fueling Terms and Conditions Agreement must be approved in writing by CAA in its sole discretion.

N. Major Maintenance. RACs shall, or shall cause the Facility Manager to, manage and to cause the performance of all Major Maintenance of the Ground Transportation Center as set forth in Section B above (except as hereinafter provided), including the maintenance of the fuel facilities and QTA equipment.

"Major Maintenance" shall mean any repair, replacement or removal of improvements: in, of or to , Covered Pedestrian Bridge and the Premises (including the ConRAC and Structural Components) that is not Common O&M and (i) preserves, extends or restores the useful life of, and is beyond the regular, normal annual or more frequent upkeep of physical property (i.e. land, building, or equipment), or (ii) removes improvements at the expiration or termination of the Agreement, or otherwise at the direction of CAA. Major Maintenance includes structural and other major repairs, the repair or replacement of failed or failing building components as necessary to bring or return, Covered Pedestrian Bridge, the ConRAC, and the Premises (including the Structural Components), to their intended use under this Agreement, to prevent further damage, or to make it compliant with changes in laws, regulations, codes, or standards. Common O&M shall not be considered Major Maintenance. Items of Major Maintenance include, but are not limited to, the following items:

a. Removal of above and underground fuel storage tanks if removal is required by CAA;

b. Repair or replacement of structural and other ConRAC physical plant components such as: roof, boilers, windows, generators, utility distribution systems;

c. Repair or replacement (except to the extent required due to abuse or neglect by a RAC) of pumps or motors provided as part of the original outfitting of the ConRAC and not as a Tenant Improvement;

d. Additions or changes to safety systems such as: fire alarms, fire sprinklers, fire exits, or security systems;

e. Necessary changes to facilities to meet local, state, and federal requirements, codes, and standards;

f. Repairs or replacement of components that are creating a threat to life, health, and safety of people;

g. Emergency repairs resulting from hurricane or other storm, flood, fire, other natural or human-caused disaster or catastrophic damage or loss, and in particular, damage requiring immediate attention to prevent further damage or to restore the use of a facility.

0. CAA Responsibility. After the expiration of the Warranty Period, CAA shall be responsible for all Major Maintenance of the Public Parking Improvements, save and except the Terminal Crossover Bridge.

ARTICLE 10. RAC PROGRAM

A. Relocation Requirements. The SECOND PARTY shall cooperate with all other RACs to facilitate and complete relocation of rental car concessionaire operations to the ConRAC, at no cost to the CAA, so that such RACs can be open to the public as of the Commencement Date. The Commencement Date as established by CAA shall be included in a written notice to the RACs not less than thirty (30) days prior to the Commencement Date.

B. Operation of ConRAC. The SECOND PARTY and all the other RACs shall act (or refrain from acting) with respect to the operation, maintenance, management and repair of the ConRAC and discretionary acts not otherwise made mandatory under this Agreement, in consultation with the CAA, except that RACs shall follow the instructions of the CAA with respect to the exercise of remedies upon default by a RAC hereunder.

C. Majority in Interest. Review and approval of maintenance and operation standards and other matters may be by a Majority in Interest, provided that the RACs may not, acting through a Majority in Interest, take any action that creates a restraint on pricing, output, or quality of service, or that may tend unreasonably to restrain competition. RACs shall notify the CAA of any Majority in Interest decision, and the nature of any opposition or objection. The CAA's determination of whether any action violates this prohibition against restraint on pricing, output, or quality of service, or that may tend unreasonably to restrain competition shall be binding on the RACs. For purposes of this section "Majority in Interest" shall mean those RACs with more than sixty percent (60%) of Market Share, comprising not less than sixty percent (60%) in number of those RACs then currently leasing space in the CONRAC facility.

D. Allocation and Assignment of Space.

1. Allocation of Parking Space

The first, second, and third levels of the CONRAC will be available to accommodate ready/return parking space blocks (collectively, "Parking Space Blocks") for the RACs. The forth level will be available to accommodate overflow and storage ("Overflow Blocks").

Unless otherwise agreed to by CAA, each RAC will be required to utilize exclusively its Market Share of Parking Space Blocks and Overflow Blocks in the CONRAC.

2. Initial Allocation

The initial location and allocation of the Parking Space Blocks and the Overflow Blocks shall be as set forth on Exhibit L, attached hereto, except as provided in the following sentence. Twelve (12) months prior to the Commencement Date, CAA will confirm and distribute the relative Market Share data of each RAC operating at the Airport for the most recent 12-month period for which Market Share data is then available. In the event the Market Share shall dictate an adjustment of the initial allocations (as set forth on the chart attached hereto as Exhibit L), the Second Party along with all other RACs will determine an equitable adjustment of the allocation of space on the fifth level and reallocate such Overflow Blocks.

3. Reallocation

Reallocation of the Exclusive-Use Premises, shall occur pursuant to the intervals, triggers and minimums as set forth on Exhibit M attached hereto, and subject to the provisions of this Agreement unless all affected RACs unanimously agree to remain in their initial Exclusive-Use Premises. In the event the Market Share shall dictate an adjustment of the location and allocations (as set forth in the chart contained in Exhibit M), the RACs along with all other RACs will attempt to determine an equitable adjustment of the location and allocations pursuant to this sub-Section. If after thirty (30) days, the RACs are unable to agree on an equitable adjustment of the locations and allocation, CAA shall have thirty (30) days to create an equitable allocation plan. Upon determination of an equitable adjustment, CAA shall, in its sole discretion, amend the Exclusive-Use Premises allocated to Second Party (and to the other RACs similarly affected) in conformance with such shift in Market Share. Upon CAA's determination, it shall send a written notice ("Market Share Confirmation Notice") to the Second Party (and to the other RACs similarly affected) no later than 180 days from the notice, amending this Agreement with respect to the Second Party's Exclusive-Use Premises.

Beginning on the Commencement Date, CAA shall provide a Market Share report on each two year anniversary (for stacking lanes and fourth floor garage) and two and one-half year anniversary (for ready return and fuel positions) and five years (for car wash bays and maintenance bays) indicating which RACs, if any, have triggered a component reallocation as set forth in this Section.

Any such reallocation as provided hereunder will be reflected on an exhibit detailing such reallocation. The effective date and the applicable square footage(s) will be attached to this Agreement by letter from CAA and the amounts payable hereunder will be adjusted as necessary according to the square footage of the resulting space, without the need for amendment of this Agreement.

4. Reallocation Plan

The RACs and CAA shall attempt to create a reallocation plan in a manner that maintains the operational efficiency of the CONRAC and all RACs. In the event the RACs are unable to reach a reallocation plan within thirty (30) days, CAA shall determine a reallocation plan. In

no event shall a RAC be entitled to reallocation if in CAA's discretion such relocation materially and negatively impacts the operation of the CONRAC.

5. Reallocation Costs

Except as provided in subsection 6 below, each RAC shall be responsible for the reallocation costs it incurs for its own Exclusive-Use Premises. RACs shall share expenses for moving boundary lines, except that a RAC will be solely responsible for the costs of moving proprietary equipment/structures. Reallocation costs for Common Areas will be allocated among affected RACs on that floor based upon their respective Market Share. In no event shall a RAC be required to pay any costs associated with a) a reallocation in which their Exclusive-Use Premises are not reallocated, or b) a relocation to another Exclusive Use Premises with substantially the same amount of space as the space it may be required to move from. Reallocation costs associated with common elements such as moving, adding or eliminating bollards will be split equally among those RACs directly impacted by the common element.

6. New Entrant

If pursuant to Article 4.J. of this Agreement, a New Entrant is selected to occupy space in the CONRAC, then the space allocated to the New Entrant will be negotiated at that time. In the event that CAA and the RACs are not able to reach agreement as to space allocation then the New Entrant upon execution of a rental car operating and lease agreement and all other agreements related to the operation and maintenance of the CONRAC shall be provided approximately two percent (2%) of the total Parking Space Blocks in the CONRAC, two fueling and vacuum nozzles, and adequate customer service counter, office space, and QTA space or as otherwise determined by CAA. All costs associated with the reallocation of space to accommodate a New Entrant shall be paid from CFC Surplus as provided for in Article 4.J. of this Agreement. CAA may, in its discretion, initiate an unscheduled reallocation no sooner than two (2) Agreement Years after any New Entrant begins operations in the CONRAC regardless of the Market Share trigger identified on Exhibit M.

E. Each SECOND PARTY is responsible, at no cost CAA, for installing and removing signs, booths, furniture and equipment for SECOND PARTY's designated space in the ConRAC after each reallocation of such space.

F. SECOND PARTY shall cooperate with all other RACs to facilitate and complete, at no cost to CAA, the move required by each reallocation not more than thirty (30) days after the reallocation.

G. For all periods following the Commencement Date SECOND PARTY shall pay its Pro Rata Share of the Ground Rent payable under this Agreement and of costs of Common O&M, as well as all costs attributable to, and costs of utilities metered to, the SECOND PARTY's Exclusive-Use Premises, except that metered utility costs to exclusive use areas are not to be paid pro rata. SECOND PARTY is be required to pay its Pro Rata Share of any real property taxes imposed on RACs with respect to the RACs Interest under this Agreement;

H. If a RAC defaults in its obligation to pay its Pro Rata Share of Ground Rent required to be paid by RACs under this Agreement, or operation and maintenance expenses, taxes, utilities or insurance, and the Surety deposited by the defaulting RAC as described in Article 20 is insufficient to pay such obligations, then the Surety made by non-defaulting RACs may be used on the Pro Rata Basis, however, such payment shall not discharge the obligation of the defaulting RAC, which shall restore all such Surety, and the obligation to do so shall survive termination of this Agreement.

I. SECOND PARTY is, and all other RACs will be, required to abide by, and carry out all provisions of its Agreement, to perform all of its respective operations and activities in the ConRAC in conformance with the operational terms and conditions of this Agreement, to collect CFCs and remit them as directed by the CAA in or pursuant to this Agreement, not to cause the imposition of any lien on any portion of the ConRAC, and to provide for all other aspects of the operation and maintenance of the ConRAC to the extent provided in this Agreement. A breach of these provisions may result in termination of the SECOND PARTY's Agreement.

J. RACs as to each RAC and each RAC as to each other RAC are third-party beneficiaries of the provisions of each RAC's Agreement relating to the payment of its Pro Rata Share of rent and operation and maintenance expenses as described in subsection 3 of this Section.

K. SECOND PARTY shall, at its own direct expense, be financially responsible for performance of all operation, maintenance, repair, renewal, and replacement functions with respect to its allocated counter space, car wash, drying, vacuum and fueling facilities and equipment. Nothing in this paragraph limits the right of SECOND PARTY, either alone or in cooperation with other RACs, to contract with a Facility Manager to carry out such responsibilities, but without relieving the SECOND PARTY from responsibility for timely and complete performance;

L. SECOND PARTY must coordinate with the CAA prior to installing any antenna for wireless communication.

M. SECOND PARTY shall be required, at its sole expense, promptly to comply in all material respects with all applicable current and future legal requirements regulating the use of or otherwise applicable to the Premises or to the RAC's use of its Allocated Space and common areas of the ConRAC.

N. SECOND PARTY shall be permitted, with the consent of the CAA, not unreasonably withheld, to sublease a portion of its Exclusive-Use Premises to another RAC.

ARTICLE 11. INSURANCE

A. Subject to the provisions of Section B below, SECOND PARTY agrees that, throughout the term of this Agreement, including any supplements hereto or renewals hereof, it will procure and maintain (and it will ensure that its Contractors procure and maintain) the following types and amounts of insurance on an occurrence basis, as applicable, on the terms specified in this Article, all at no cost to the CAA:

1. Commercial General Liability Insurance with a total limit of liability of not less than One Million Dollars ($1,000,000) for all damages arising out of bodily injuries to or death of all persons and/or damage to or destruction of property in any one accident or occurrence, and, subject to that limit per accident, a total (or aggregate) limit of not less than Two Million Dollars ($2,000,000), for all damages arising out of any such bodily injuries to or death of all persons and/or damage to or destruction of property in all accidents or occurrences during the policy period;

2. Commercial Automobile Liability Insurance which covers all motor vehicles, including those owned, hired or non-owned, which are used by SECOND PARTY in connection with this Agreement (which shall not be construed to include a Rental Car rented by or made available for rental by SECOND PARTY, which Rental Car must be insured by the SECOND PARTY) with a combined single limit of liability of not less than One Million Dollars ($1,000,000) for all damages arising out of bodily injuries to or death of all persons and/or damage to or destruction of property in any one accident or occurrence;

3. Workers' Compensation & Employer's Liability Insurance in accordance with the requirements of the laws of the State of Connecticut, and of the laws of the United States, respectively, which covers all of SECOND PARTY's employees at or working from the Premises, with Employer's Liability Insurance limit of liability of the greater of One Million Dollars ($1,000,000) or any greater amount required by applicable law;

4. Pollution Liability Insurance (both site and contractor's) in the amount of Five Million Dollars ($5,000,000) (May be provided by the Facility Manager on behalf of SECOND PARTY);

5. Umbrella Liability Insurance, without pollution exclusion, in the amount of Five Million Dollars ($5,000,000) (May be provided by the Facility Manager on behalf of SECOND PARTY).

B. Notwithstanding any other provision of Section A above to the contrary, all products and completed operations coverage required to be maintained by SECOND PARTY or RACs and their Contractors shall continue to be maintained for at least three years following final acceptance of their work. The provisions of this subparagraph B shall survive the expiration or earlier termination of this Agreement.

C. The CAA, including its officers and employees, shall be included as an additional insured for liabilities arising out of the conduct of SECOND PARTY under any and all coverage maintained pursuant to subparagraphs A (1), (2), (3) and (4) above.

D. During the period of any facility construction, modification or renovation, the SECOND PARTY, the Design-Builder with respect to the Project or other Contractors, at its/their sole cost and expense, shall provide Builder's Risk coverage to cover the subject property on a Completed Value form for risks to include flood and earthquake. Coverage provided under all Builders' Risk policies shall extend to off-site storage and Boiler and Machinery risk if part of the project. The CAA shall be

included as a Loss Payee under each Builder's Risk policy, as shall be the Trustee with respect to original construction of the Joint-Use Facility.

E. For all improvements existing on the date hereof, and upon substantial completion of the construction of any new improvements on or constituting a part of the Premises, CAA shall procure and maintain, at SECOND PARTY and other RACs' sole cost, a policy or policies of Standard Fire and Casualty Insurance, Special Form Coverage, which insures all buildings and other improvements on or constituting a part of the Premises (including, but not limited to, all heating and cooling systems, elevators, mechanical systems, and generators) against all risks of damage thereto which, as of the date of this Agreement, are covered under Insurance Service Office (ISO) Form CP 10 30 or its equivalent, together with endorsements insuring against damage and other loss, costs and expenses due to earthquake, demolition, removal of debris, preservation of property, fire department service charges, boiler and machinery failure, pollutant clean-up and removal, and increased cost of construction and contingent liability associated with building laws and regulations, and, if any portion(s) of any of the buildings on the Premises are located within a one hundred (100) year flood zone, also flood. The coverage limits for such insurance shall be not less than the full replacement cost of the completed buildings and other improvements on or constituting a part of the Premises and shall be sufficient to prevent RACs from being deemed a co-insurer of any loss, risk or damage covered thereby. The deductible under such policy or policies shall not exceed One Hundred Thousand Dollars ($100,000) in the aggregate. The cost of such insurance shall be included in CONRAC Common O&M Costs, and shall be payable to the CAA within fifteen (15) days of invoice from the CAA. Upon execution of this Agreement and prior to every subsequent anniversary date of the execution of the Agreement during the Term of this Agreement, SECOND PARTY agrees to furnish to the CAA, only on such form or forms as are reasonably approved by the CAA, a certificate or certificates of insurance fully executed by an insurance company or companies (or agents or brokers on their behalf) satisfactory to the CAA, for the insurance required hereunder, all of the policies for which shall be in accordance with the terms of said certificate(s) of insurance. Each certificate of insurance shall specify amounts of deductibles, if any, for each type of coverage in said policies. Deductibles shall not exceed such amounts as shall be approved by the CAA, such approval not to be unreasonably withheld. If requested by the CAA, SECOND PARTY also agrees to furnish similar insurance documentation from its Contractors during the Term of this Agreement. If at any time during the Term of this Agreement, SECOND PARTY shall fail to provide insurance documentation within ten (10) business days after written notice from the CAA or duly maintain (or ensure its Contractors maintain) all required insurance coverage in full force and effect, then the CAA, in addition to any other remedies it may have, all of which are preserved for the CAA, may either immediately terminate this Agreement or procure or provide alternate insurance coverage and charge SECOND PARTY the cost thereof, which amounts shall then be promptly paid by SECOND PARTY to the CAA. Copies of all required insurance policies shall be retained by SECOND PARTY until three (3) years after the expiration of the Term of this Agreement. The immediately preceding sentence shall survive the expiration or earlier termination of this Agreement.

F. The amount of insurance maintained by SECOND PARTY shall in no way limit any obligations SECOND PARTY otherwise may have under this Agreement to repair or reconstruct any

improvements on or constituting a portion of the Premises or any portion thereof following a casualty.

G. All of SECOND PARTY's insurers shall be licensed by the State of Connecticut and be rated A-(VIII) or better by the latest edition of A. M. Best's Rating Guide or, if such guide is no longer available, any generally recognized replacement therefore. All insurance required hereunder shall be on an "occurrence" (as opposed to "claims made") basis.

H. SECOND PARTY and its r Contractors shall be fully and solely responsible for and thus shall pay any and all costs and expenses as a result of any and all coverage deductibles and/or self-insured retentions under any policy(ies) of insurance maintained by them. None of SECOND PARTY's or its Contractor's insurers shall have any right of subrogation or recovery against the CAA or any of the CAA's officers, agents or employees, all of which rights are hereby waived by SECOND PARTY. All insurance maintained by SECOND PARTY and its Contractors shall be primary and noncontributory and shall not be in excess of any other insurance.

I. Nothing herein shall preclude either party from procuring and maintaining, at such party's sole cost and expense, such additional insurance coverage as such party deems desirable or appropriate, providing, however, that (i) all liability insurance maintained by SECOND PARTY and its Contractors covering the Premises or any activities at the same shall include the CAA, including its officers and employees, as an additional insured for liabilities arising out of the conduct of SECOND PARTY, and (ii) all property insurance maintained by SECOND PARTY with respect to the Premises shall include the CAA as a loss payee. Any insurance maintained by the CAA shall be in excess of any and all insurance maintained by SECOND PARTY and/or its Contractors, and shall not contribute with it.

J. The insurance policy(ies) required under this Article shall not be subject to cancellation unless notice is given to the CAA, in the manner set forth in Article 28 entitled "Notices" at least thirty (30) days prior to the date of cancellation.

K. Except as otherwise provided to the contrary in this Article, any insurance required by this Agreement may be obtained by means of any combination of primary and umbrella coverage and by endorsement and/or rider to a separate or blanket policy and/or under a blanket policy in lieu of a separate policy or policies, provided that SECOND PARTY shall deliver a certificate of insurance of any said separate or blanket policies and/or endorsements and/or riders evidencing to CAA that the same complies in all respects with the provisions of this Agreement, and that the coverage thereunder and the protection which would be provided under a separate policy or policies procured solely for the Premises.

L. SECOND PARTY shall neither do, nor cause its Contractors to do, anything (or fail to do anything) whereby any of the insurance required by the provisions of this Article shall or may be invalidated in whole or in part. In the event that any of SECOND PARTY's Contractor so act (or fails to act), then SECOND PARTY shall promptly use commercially reasonable efforts to eliminate that condition.

M. SECOND PARTY shall neither act (nor fail to act) whereby any of the insurance required by this Article will or may be invalidated in whole or in part.

N. The CAA shall have the right to review and revise the insurance requirements applicable to all On-Airport RACs during the Term of this Agreement and to make reasonable adjustments to the types and amounts of, and terms pertaining to, insurance coverage required hereunder, as the CAA reasonably deems to be prudent in the circumstances, based upon increased costs of construction, inflation, statutory law, court decisions, RAC industry claims history, and other relevant factors. In accordance with any modifications the CAA makes to the insurance requirements, SECOND PARTY agrees to obtain such modified insurance coverage at their sole expense.

O. The failure of the CAA, at any time or from time to time, to enforce the provisions of this Article concerning insurance coverage shall not constitute a waiver of those provisions nor in any respect reduce the obligation of SECOND PARTY to indemnify, defend and hold harmless the CAA pursuant to this Agreement. Likewise, the limits of coverage of any insurance purchased by SECOND PARTY shall not in any way limit, reduce or restrict their obligations under any indemnification and save and hold harmless provisions required by this Agreement or other contracts between the parties.

P. SECOND PARTY assumes and shall pay all costs and billings for premiums and audit charges earned and payable under all insurance that it procures and maintains. Each insurance policy shall state that the insurance company shall agree to investigate and defend the insured against all claims for damages.

Q. The provisions of this Article and Article 13 shall be incorporated and made a part of each contract or other agreement which SECOND PARTY enters into with any contractors or other service providers doing business for RACs at the CONRAC ("Contractor(s)"), appropriately modified to reflect the relationship of the parties, providing, however, that all references to, and all rights and protections afforded to the CAA, as provided in said provisions remain unchanged; and, provided, further, that SECOND PARTY may request that the CAA, in its sole discretion, approve lower limits of commercial general liability insurance required to be maintained pursuant to sub-article A(1) above for any minor Contractor (herein defined as any Contractor(s) whose contract with respect to the Premises or any work or other activities associated therewith, has a value of less than $50,000 and whose total gross revenue (including all revenue received, earned or accrued by all of its related and affiliated entities in its most recent fiscal year was less than $100,000) or any other Contractor(s) who does(do) not maintain the levels of coverage required by this Article, based upon the nature of such Contractor(s)' activities at the Premises.

ARTICLE 12. COVENANTS

A. SECOND PARTY COVENANTS.

Subject to the provisions of this Agreement the SECOND PARTY covenants to CAA and will require the Facility Manager through the Facility Management Agreement to covenant to CAA as a third-party beneficiary under the Facility Management Agreement to the applicable sections of, the following:

1. Rental Car Maintenance. SECOND PARTY shall have the right to perform maintenance on any and all SECOND PARTY -owned or temporarily leased Rental Cars only in location(s) on the Premises expressly designated for maintenance functions.

2. Ingress and Egress. The right of ingress and egress from the Premises to the public areas of the Airport via the public roads leading to the Airport is extended to SECOND PARTY, its employees, agents, authorized persons, business invitees and guests. However, SECOND PARTY shall be responsible for the securing of all access points at the Premises leading to and from the adjoining areas of the Airport and shall comply with all Federal and State Regulations and Airport Policies and Procedures or other directives specifically regarding security of the Airport operations areas.

3. Hazards. SECOND PARTY agrees that they shall not permit hazardous or unreasonably objectionable fumes, smoke or odors apart from those experienced in normal aviation activity to reach areas above the surface of the land, and that no accumulation of boxes, barrels, packages, junk, wastepaper or other articles shall be permitted on the Premises.

4. Laws. SECOND PARTY agrees to comply with and conform to all applicable Federal, State and local rules, regulations ordinances, and zoning regulations regarding health, safety, nuisance, fire, roadways and walkways, so far as the Premises are concerned.

5. Policies and Procedures. Any provision contained in the Agreement to the contrary notwithstanding, compliance with the Executive Director or his/her Designee's rightful direction(s) or the Airport's Policies and Procedures regarding use of the Airport outside of the ConRAC is mandatory. The direction(s) may involve such matters as temporary relocation of vehicles and equipment. Continual disregard of the Executive Director or his/her Designee's rightful direction(s) shall be deemed to be a default under this Agreement and the CAA shall have the right to cancel this Agreement in accordance with the provisions of Article 30 if RAC shall receive from the CAA within any twelve (12) month period more than five (5) notices in writing from the CAA setting forth a separate actual non-compliance by RAC with a valid direction of the Executive Director or his Designee.

6. Non-Exclusive Rights. Nothing contained in this Agreement shall be construed to indicate that SECOND PARTY has any exclusive aeronautical rights at the Airport or any other exclusive rights except as expressly stated in this Agreement.

7. Reliance. The parties hereto acknowledge that CAA is relying on the expertise and experience of Developer to develop the Project and the Facility Manager in actual charge of the operation of the Premises. The Facility Manager shall be subject to the reasonable approval of the CAA, which approval shall not be unreasonably delayed or withheld. RACs shall notify the CAA in writing of

the desire of Facility Manager to change its respective Certificate of Incorporation, change in the individual(s) comprising the Facility Manager in actual charge of the operation of the Premises, such notification shall include information as to the new individuals for operations and ownership and the experience and capacity for such individuals. CAA shall use its reasonable discretion as to the approval for the change as provided. In the event that CAA does not approve of the changes to the individuals or the change in the Certificate of Incorporation, SECOND PARTY shall be deemed to be a default under this Agreement, and other RACs shall be deemed to be n default of their similar agreements, and the CAA shall have the right to terminate this Agreement in accordance with the provisions of Article 30.

B. CAA Covenants.

1. Peaceful Enjoyment. The CAA represents and warrants to SECOND PARTY that SECOND PARTY shall have the quiet and peaceful enjoyment of the Premises so long as SECOND PARTY performs hereunder and that the rights herein granted to SECOND PARTY are in conformity with any and all Federal, State and local laws, regulations and Airport Policies and Procedures, and any and all other binding obligations of the CAA with respect to the Airport.

2. Lease Rights and CFC Funding. The CAA agrees and commits to comply fully with Article 3 and Article 5.A and to take reasonable action to enforce on third parties those requirements, obligations or limitations the CAA covenants with RACs to impose on others.

3. Operation as an Airport. Subject to Uncontrollable Circumstances or action taken by the FAA, the CAA shall, throughout the Term of this Agreement, continue to operate the Airport as a 24-hour, 365-day per year commercial service airport in compliance with all FAA requirements for aircraft operations, and shall maintain the Airport terminal and off-Premises public pedestrian and vehicular access to and from the Premises including snow removal as appropriate to ensure reasonable access.

4. Right to Operate and Manage. RACs shall have the right to acquire, install, operate and maintain on the Premises the improvements, facilities, equipment and supplies required or appropriate for the performance of the ConRAC, whether directly or whether required to be acquired, installed, operated and maintained by the RACs' Facility Manager or other agent, and the other operations permitted by the terms of this Agreement, subject to the terms hereof.

5. The CAA shall require each On-Airport RAC to enter into an agreement substantially similar to this Agreement, with the same rights and obligations.

ARTICLE 13. INDEMNIFICATION

A. SECOND PARTY shall protect, defend and hold the CAA and its officers, servants, agents, or employees, and their respective heirs, legal representatives, successors and assigns, completely harmless from and against any all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court costs, and expert fees), of any nature whatsoever arising from or out of the activities by SECOND PARTY on the Airport, except to the extent such injury, death or damage is caused by the negligence or willful misconduct of the CAA, its officers, servants, agents, or employees and their respective heirs, legal representatives, successors and assigns ("**Claims**" as used in this Article). The CAA shall give to SECOND PARTY reasonable notice of any such Claims. SECOND PARTY shall also use counsel reasonably acceptable to the CAA in carrying out its obligations under this Article. The provisions of this Agreement shall not be limited by reason of any insurance coverage. The provision of this Article shall survive the expiration or earlier termination of this Agreement.

B. SECOND PARTY shall not be responsible for indemnifying or holding the CAA harmless from any liability arising due to the negligence of the CAA or any other person or entity acting under the direct control or supervision of the CAA.

C. SECOND PARTY shall reimburse the CAA for any and all damages to the real or personal property of the CAA caused by the acts of SECOND PARTY. The CAA shall give SECOND PARTY reasonable notice of any such Claims.

D. SECOND PARTY's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Agreement, without being lessened or compromised in any way, even where SECOND PARTY is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or, except as stated in Section B of this Article, where the CAA is alleged or is found to have contributed to the Acts giving rise to the Claims.

E. SECOND PARTY shall carry and maintain at all times during the term of the Agreement, and during the time that any provisions survive the term of the Agreement, sufficient insurance to satisfy its obligations under this Agreement. SECOND PARTY shall name the CAA as an additional insured on the policy for liabilities arising out of the conduct of SECOND PARTY. The CAA shall be entitled to recover under the insurance policy even if a body of competent jurisdiction determines that the CAA is contributorily negligent.

F. The rights provided in this section for the benefit of the CAA shall encompass the recovery of attorneys' and other professionals' fees expended in defending a third-party Claim against the CAA.

G. This section shall survive the termination of the Agreement and shall not be limited by reason of any insurance coverage.

ARTICLE 14. CASUALTY

A. Repair of Damage or Destruction. In the event that any or all improvements constituting the ConRAC shall be damaged or destroyed by fire or other casualty, and CAA shall elect to repair, restore, rebuild, replace or relocate, subject to written approval by the CAA, said improvements constituting the ConRAC and related facilities on the Premises, or on any other site on the Airport that the CAA has available for such purpose, then all proceeds of any insurance, whether received by RACs or the CAA, shall be applied toward the accomplishment of said repair, restoration, rebuilding, replacement or relocation and SECOND PARTY and other RACs shall have the obligation to provide said accomplishment without recourse to the CAA for reimbursement for any of its costs, except that CFC proceeds shall be available to the extent provided under the Bond Documents.

B. Failure to Repair Damage or Destruction. In the event said improvements constituting the ConRAC and related facilities shall be damaged or destroyed by fire or any other casualty and CAA shall elect not to repair, restore, rebuild, replace, or relocate said improvements constituting the ConRAC and related facilities, as the case may be, then all proceeds of any insurance whether received by RACs or the CAA, net of any amount required under the Bond Documents to be paid to reduce

indebtedness relating to the Project, shall be paid to the CAA and this Agreement shall be null and void.

C. Termination Rights. To the extent insurance is available to repair, restore, rebuild, replace or relocate improvements constituting the ConRAC and related facilities on the Premises, the CAA shall not have the right to terminate this Agreement by reason of casualty.

ARTICLE 15. TERMINATION BY RIGHT OF EMINENT DOMAIN

A. If all of the Premises or SECOND PARTY's interest under this Agreement is taken by any entity with the power of eminent domain ("**Condemning Authority**") whether by exercise of that power formal condemnation proceedings or by negotiated conveyance to the Condemning Authority in lieu of such proceedings following the Condemning Authority's notice of intent to exercise that power (referred to herein, in either case, as "Condemnation"), this Agreement shall terminate as of the date when title to the Premises or SECOND PARTY's interest under this Agreement, as the case may be, is acquired by the Condemning Authority, except to the extent and for as long as the Condemning Authority takes title subject to this Agreement and SECOND PARTY's possession and rights are undisturbed, subject to the provisions hereinafter set forth.

B. If only part of the Premises or SECOND PARTY's interest under this Agreement is taken by any Condemning Authority under Condemnation and if such taking results, in the reasonable opinion of SECOND PARTY, in a substantial interference with the business which SECOND PARTY is conducting on the Premises and, in addition, in the reasonable opinion of SECOND PARTY, has a materially adverse impact upon the financial position of SECOND PARTY, SECOND PARTY shall have the right to terminate this Agreement by giving written notice to the CAA (in which event this Agreement shall terminate as of the date when title to the Premises or SECOND PARTY's interest under this Agreement, as the case may be, is acquired by the Condemning Authority).

C. If this Agreement is terminated in accordance with Section A or Section B above, all rent and fees or any other monies payable by SECOND PARTY under this Agreement shall be apportioned to the date of termination.

D. If the Condemnation occurs under Section A or Section B above, SECOND PARTY shall be entitled to participate as a party at any Condemnation hearing or negotiation, however CAA shall not be obligated to allow joinder of SECOND PARTY as a joint party with CAA.

E. If a Condemnation occurs under Section A or Section B above, the Condemnation award or purchase price, as the case may be, shall be distributed as follows: first, as provided under the Bond Documents to the extent of any unpaid indebtedness (including principal and interest) thereunder; then to CAA to be used exclusively for replacement facilities to provide the same functions in support of the CAA's On-Airport Rental Car program as the ConRAC provided immediately before the Condemnation, then to the SECOND PARTY and the RAC's respectively to the extent of any taken personal property not acquired with Bond proceeds or CFC's through the Project fund for the Annual Budget owned by any of them.

F. In the event a portion of the Premises is taken Condemnation, and this Agreement is not terminated pursuant to the provisions of this Article, then this Agreement shall continue to be in effect and the proceeds of the Condemnation award or purchase price shall be used to restore or repair the Premises to that functional and programmatic condition it was in prior to the taking, to the extent practicable, with any excess paid in the same manner as set forth in paragraph E above, with respect to the percentage of the Premises so taken. If the partial taking directly results in a diminution of the value of SECOND PARTY' leasehold interest, the CAA shall consult with the SECOND PARTY as to the following options: (1) initiate a reduction in Ground Rent to reflect such diminished value, or (2) initiate such revisions to the Agreement not related to Ground Rent that reflects the appropriate operating conditions. For purposes of this Section F "diminution of the value of SECOND PARTY's leasehold interest" shall mean a material adverse economic impact as reasonably determined by CAA, upon SECOND PARTY's operation on the Premises, as improved.

G. The provisions of this Article shall survive the expiration or earlier termination of this Agreement, as the same may be supplemented, extended and/or renewed, and any holdover period.

ARTICLE 16. THE CAA'S RIGHTS OF AUDIT; MAINTENANCE OF RECORDS

A. Contractors Requirements. Consistent with Article 6 of the Agreement, SECOND PARTY shall maintain accurate and complete records, books of account and other documents that delineate the nature and extent of SECOND PARTY's performance hereunder. In addition, SECOND PARTY also shall require each of its contractors, consultants (including, but not limited to design professionals), subtenants, and licensees (herein, individually and collectively, "Contractors"), which are related to the Performance of the Agreement, that provide any material or services at, to or for the Premises or are allowed to use or occupy or conduct any work or business at or from the Premises (herein, individually and collectively, "Work") to maintain accurate and complete records, books of account and other documents that delineate the nature and extent of the applicable Contractor's performance with respect to such Work.

B. Records. SECOND PARTY shall maintain all of its records (whether stored in electronic or other form) that in any way pertain or relate to this Agreement and/or the actual or alleged performance and/or lack of performance by any party hereunder (individually and collectively, "Records") as set forth herein and Article 6 of the Agreement.

C. Copies. At the CAA's request, SECOND PARTY and its Contractors, as applicable, shall provide the CAA with hard copies, or electronic media, containing any data or information in the possession or control of SECOND PARTY or its Contractors which pertains to the Premises and/or SECOND PARTY's and/or its Contractors' Work and/or performance under this Agreement, all at no cost to the CAA.

D. Retention Requirements. SECOND PARTY agrees that it will keep and preserve or cause to be kept and preserved all of its Records until three (3) years after the formal acceptance by the CAA of the audited Statement of Gross Receipts.

E. Contractor Retention Requirements. SECOND PARTY also agrees that it will require each of SECOND PARTY's Tenant Improvement Contractors to maintain all of its Records until three (3)

years after the expiration or earlier termination of the respective Contractor's contract or other agreement, as the same may be amended, renewed or extended.

F. **Dispute.** If any litigation, claim or audit is started before the expiration of said three (3) year period, such records shall be (and shall be required to be) retained until all litigation, claims or audit findings have been resolved.

G. **Survival**. The provisions of this Article shall survive the expiration or earlier termination of this Agreement, as the same may be amended, extended or renewed, and any holdover period, as applicable.

Contract Requirements. The provisions of **Sections A, C, E, F and G** of this Article shall be included in each contract SECOND PARTY enters into with any Contractor, appropriately modified to reflect the relationship of the parties, providing that all references to the CAA shall remain unchanged and the CAA be specified to be a third-party beneficiary of such provisions.

ARTICLE 17. STATE ETHICS LAWS, & NON-DISCRIMINATION CERTIFICATIONS

A. SECOND PARTY acknowledges that by doing business with or seeking to do business with the CAA it is subject to certain provisions of the Connecticut Code of Ethics located in the Connecticut General Statutes at Chapter 10 (the "**Code of Ethics**"). SECOND PARTY acknowledges receipt and review of the "Guide to the Code of Ethics for Current or Potential State Contractors" (2010), as may be revised, posted on the website of the Office of State Ethics at www.ct.gov/ethics, and agrees to comply with all provisions of the Code of Ethics applicable to SECOND PARTY as a current or potential state contractor.

B. SECOND PARTY hereby acknowledges and agrees to comply with the policies enumerated in the Connecticut Airport Authority Ethical Conduct Policy, dated December 16, 2013, a copy of which is attached hereto as Exhibit J, and made a part hereof.

C. This Agreement shall not become effective until SECOND PARTY has provided the CAA with documentation in the form of a company or corporate policy adopted by resolution of the board of directors or other governing body of SECOND PARTY (or, if SECOND PARTY is an individual, then such individual) supporting the non-discrimination agreements and warranties set forth in Exhibit F per C.G.S. Sections 4a-60 and 4a-60a. Certification forms meeting this requirement are available on the website of the State's Office of Policy and Management at www.ct.gov/opm.

D. If this Agreement is for goods or services and has a value to the State of $50,000 or more in any calendar or fiscal year, the Agreement shall not become effective until SECOND PARTY has completed and furnished the affidavit (OPM Form 1) required by Section 4a-81 of the Connecticut General Statutes which form of affidavit is available on the website of the Office of Policy and Management at www.ct.gov/opm.

ARTICLE 18. STATE ELECTIONS ENFORCEMENT COMMISSION CAMPAIGN CONTRIBUTION RESTRICTIONS

For all State contracts as defined in Connecticut General Statutes Section 9-612(g) (1) having a value in a calendar year of $50,000 or more or a combination or series of such agreements or contracts having a value

of $100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of any such notices, as set forth "Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations" a copy of which is attached hereto as Exhibit K and hereby made part of this Agreement.

ARTICLE 19. STATE CONTRACTS

A. **WHISTLEBLOWER**

If an officer, employee or appointing authority of SECOND PARTY takes or threatens to take any personnel action against any employee of SECOND PARTY in retaliation of such employee's disclosure of information to any employee of the State or quasi-public agency (if applicable) or the Auditors of Public Accounts or the Attorney General under the provisions of Connecticut General Statutes Section 4-61dd (a), SECOND PARTY shall be liable for a civil penalty of not more than Five Thousand Dollars ($5,000) for each offense, up to a maximum of twenty percent (20%) of the value of the contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The executive head of SECOND PARTY may request the Attorney General to bring a civil action in the superior court for the judicial district of Hartford to seek imposition and recovery of such civil penalty. SECOND PARTY shall post a notice of the provisions of this section in a conspicuous place which is readily available for a viewing by the employees of SECOND PARTY.

B. **OPM Iran Certification Form 7**

In accordance with Public Act No. 13-162, effective October 1, 2013, if this Agreement is a Large State Contract, as defined in Conn. Gen. Stat. § 4-250, this Agreement shall not become effective until SECOND PARTY has completed and furnished to the CAA the certification form entitled "OPM Iran Certification Form 7" which is available on the Web site of the Office of Policy and Management at www.ct.gov/opm.

C. **Employment Practices** This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings, and Executive Order No. Sixteen of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of the Agreement as if they had been fully set forth in it. The Agreement may also be subject to the applicable parts of Executive Order No. 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms. If Executive Order 7C is applicable, it is deemed to be incorporated into and is made a part of the Agreement as if it had been fully set forth in it. At the SECOND PARTY's request, the CAA shall provide a copy of these orders to SECOND PARTY.

D. **Section 1-86e of the Connecticut General Statutes**

SECOND PARTY shall comply with the provisions contained in Section 1-86e of the Connecticut General Statutes, which provides as follows (for purposes of this section, "state" shall include the CAA):

(a) No person hired by the state as a consultant or independent contractor shall:

(i) Use the authority provided to the person under the contract, or any confidential information acquired in the performance of the contract, to obtain financial gain for the person, an employee of the person or a member of the immediate family of any such person or employee;
(ii) Accept another state contract which could impair the independent judgment of the person in the performance of the existing contract;
(iii)Accept anything of value based on an understanding that the actions of the person on behalf of the state would be influenced.

(b) No person shall give anything of value to a person hired by the state as a consultant or independent contractor based on an understanding that the actions of the consultant or independent contractor on behalf of the state would be influenced.

ARTICLE 20. SURETY

A. Surety. SECOND PARTY shall secure, maintain and furnish to the CAA, suitable surety in the amount of One Million Four Hundred Eighty-Seven Thousand Seven Hundred Fifty-One Dollars and Eighteen Cents ($1,487,751.18), subject to adjustment as provided below, to secure SECOND PARTY's performance in accordance with the terms of this Agreement. If SECOND PARTY fails to make payments to the CAA in accordance with due dates set forth in this Agreement, the CAA may increase its surety requirement at its sole discretion. Annually, the surety will be reviewed and may be adjusted to equal three (3) months of Ground Rentals and Percentage Fees, and all other Payments to the CAA.

B. Form of Surety. This surety shall be in the form of a performance bond, irrevocable letter of credit or a check to be in place at least sixty (60) days prior to the expiration of the preceding surety in order to provide continuity so that surety shall always be in force during the entire term of the Agreement. If a performance bond is submitted it must be from an insurance company licensed to do business in Connecticut. Said surety shall be such as to save the CAA harmless from any and all construction claims and/or loss of every kind and description attributable to any action or inaction of SECOND PARTY and/or failure to comply with any or all of the terms and conditions of this Agreement including payments due the CAA. Said surety shall be provided as of the Commencement Date of this Agreement and maintained in full force and effect during the entire term of this Agreement and three (3) months thereafter, and will be returned to SECOND PARTY without interest within sixty (60) days after the termination of such three (3) month period providing there are no claims by the CAA pending against SECOND PARTY.

C. In consideration of all the provisions contained in this Agreement, SECOND PARTY hereby waives its rights to any interest on its surety that it might otherwise be entitled to by law.

D. The CAA reserves the right to require a reasonable increase in the amount of the surety providing notice is given to SECOND PARTY within sixty (60) days prior to the annual anniversary date of this Agreement.

ARTICLE 21. SUSPENSION AND DEBARMENT

A. Good Standing. Suspended or debarred RACs, suppliers, material men, lessor or other vendors may not submit proposals for a state contract or subcontract during the period of suspension or debarment regardless of its anticipated status at the time of contract award or work is to commence.

B. Authorization. The signature on this Agreement by SECOND PARTY shall constitute certification that the company or any person associated therewith in the capacity of owner, partner, director, officer, principal investigator, project director, manager, auditor or any position involving the administration of federal or state funds, is not currently under suspension, debarment, voluntary exclusion or determination of ineligibility by any federal or state agency; has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal or state agency within the past three years; and has not been indicted, convicted or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three years.

ARTICLE 22. ASSIGNMENT AND ENCUMBRANCE

A. **Assignment.** SECOND PARTY shall not at any time, without prior consent in writing from the CAA, assign and/or transfer this Agreement, in its entirety or any part thereof, or any right, interest, power or privilege granted to SECOND PARTY under this Agreement, including but not limited to, the assignment of the right to conduct the Permitted Activities at the Airport. SECOND PARTY must notify the CAA in writing that it wishes to assign the Agreement, or any right(s) or interest(s) granted to it under this Agreement, and upon request, provide any information to the CAA regarding the proposed assignment. Any request for approval to assign the Premises shall be limited to those uses and rights set forth in Articles 3 and 4 of this Agreement and subject to all terms and conditions stated herein.

B. **Additional Obligations**. In the event the CAA approves such assignment and/or transfer of this Agreement, or any right(s) or interest(s) granted to SECOND PARTY under this Agreement, the assignee or transferee must assume in writing all obligations and responsibilities under the Agreement, respective to the right(s) and interest(s) so assigned or transferred, which SECOND PARTY shall include in the written assignment and/or transfer instrument(s) with the assignee or transferee, which written instrument will be subject to the review and approval by the CAA prior to execution. In consideration of the CAA's granting permission to SECOND PARTY for an assignment or transfer under this Article, SECOND PARTY agrees that the CAA may require SECOND PARTY to impose additional obligations or responsibilities on the assignee or transferee as may be necessary for the CAA to protect its interests and/or to reflect changes in law or policy.

C. **No Release.** In no event will CAA's consent to a transfer of SECOND PARTY be deemed a release of the primary obligor hereunder. If after obtaining requisite consent, SECOND PARTY shares all or any part of its interests in its Premises or if all or any part of its interest in the CONRAC is occupied by anyone other than SECOND PARTY, the CAA may, but shall not be obligated to, if an event of default shall occur and continue, collect rent from such assignee, transferee, subsidiary, or occupant. In such event, the CAA shall apply the amount collected to the extent possible to satisfy the obligations of SECOND PARTY, but no such collection shall be deemed a waiver by the CAA of the obligations, rights and covenants contained in this Agreement or an acceptance by the CAA of any such shared use, claimant or occupant as a successor SECOND PARTY, nor a release of SECOND PARTY by the CAA from the performance by SECOND PARTY of the covenants and obligations of SECOND PARTY under this Agreement. Notwithstanding anything contained in this Agreement to the contrary, no such shared use or assignment shall be authorized if it in any way releases SECOND PARTY from its primary obligations under this Agreement.

D. **Continuation of operating Rental Car Brands.** As set forth in Article 4.E. hereof, SECOND PARTY commits to continuously operate each of the Rental Car Brands set forth in Attachment 1 to this Agreement, throughout the Term of this Agreement. The SECOND PARTY must obtain CAA's prior written consent for the cessation or significant diminution of the business in general or the removal of any of SECOND PARTY's Rental Car Brands at the Airport, and must likewise obtain CAA's written consent to SECOND PARTY's request to substitute or add any Rental Car Brands to SECOND PARTY's Brand Family at the Airport. After consultation with the SECOND PARTY, the CAA will provide a written notification to SECOND PARTY which notification shall set forth the CAA's decision on the request for consent to changes in Rental Car Brands as set forth herein, including other relevant terms of SECOND PARTY's occupancy of the Premises related to such change.

E. Encumbrance. Any mortgage, pledge, hypothecation, encumbrance, transfer, or assignment of RACs' interest in this Agreement or any part or portion thereof or any change in the entities or individuals as set forth in Article 12. A (hereinafter in this Article referred to collectively as "**Encumbrance**"), shall first be approved, in writing, by the CAA in its sole discretion. Failure by RACs to obtain prior written approval of any Encumbrance will render such Encumbrance void. However, such written approval or denial by the CAA shall not be unreasonably delayed.

F. CAA Approval Requirement. Approval by the CAA of any Encumbrance shall not constitute or be considered a waiver of any of the terms, covenants or conditions of this Agreement. Such terms, covenants or conditions shall apply to each and every Encumbrance hereunder and shall be severally binding upon each and every party thereto.

G. Requests. Each and every request made by or on behalf of RACs in compliance with subsection B of this Article for such written approval shall be subject to the following requirements:

1. Any document to be used to create an Encumbrance shall be submitted to the CAA by official notice not less than thirty (30) business days prior to the effective date specified therein.

2. Any document to be used to create an Encumbrance shall expressly provide that same is subject to all of the provisions of this Agreement and the approval of CAA.

3. RACs shall supply to the CAA the information necessary for the CAA to conduct background investigations of persons or firms who may become beneficiaries of any Encumbrance for which approval is requested.

H. Ownership Transfer. The transfer of any direct or indirect ownership interest in the Second Party in the aggregate exceeding fifty percent (50%) of the ownership interests in the Second Party shall be deemed an Encumbrance within the meaning of this Agreement.

I. Subsequent Transfer. No beneficiary of any Encumbrance shall have the right to further transfer its benefits or obligations received under the provisions of this Article, except with the consent of the CAA in CAA's sole discretion, written approval or denial by the CAA shall not be unreasonably delayed.

J. CAA Assignment. The CAA has the right to assign this Agreement only in connection with assignment of all interests in the Airport, with the assignment becoming effective on the date stated in the Official Notice of the exercise of the CAA's right sent by the CAA to RACs.

ARTICLE 23. LAWS AND REGULATIONS

A. Compliance. SECOND PARTY agrees, at its expense, to observe, comply with and conform to all laws, ordinances, rules and regulations of the United States Government, the State of Connecticut, the CAA, Town of Windsor Locks, and all agencies thereof which may be applicable to SECOND PARTY's operations or to the operation, management or administration of the Airport and which are now in effect or may be promulgated from time to time during the term of this Agreement.

B. Permits. SECOND PARTYs agrees to send on a timely basis to the CAA, and display to the public, if required, copies of any and all permits, licenses, and other evidence of compliance with such laws, ordinances, rules and regulations as set forth in Section A hereinabove.

C. Emergency Access. It is understood and agreed by the parties hereto that the CAA and other interested regulatory agencies shall have the right to enter the Premises at any time during emergency or crisis situations and at other reasonable times after due notice to SECOND PARTY for inspection of its operations, facilities and equipment, for any purpose necessary, incidental to, or connected with the performance by any such agency of its obligations or the exercise of its governmental functions or by the CAA as owner of real estate and landlord. Inspections provided for hereinabove will include but not be limited to investigation as to compliance by SECOND PARTY with federal and state regulations pertaining to building codes and repairs, safety, fire protection, sanitation, and maintenance, financial status and general bookkeeping as these apply to the terms of this Agreement.

D. Environmental Laws. SECOND PARTY shall comply strictly and in all respect with the requirements of applicable Environmental Laws. Furthermore, SECOND PARTY shall not store, generate or use any hazardous substances at, on, or under the Premises in violation of applicable

Environmental Laws. Notwithstanding any other provision of this Agreement, SECOND PARTY and CAA acknowledge and agree that fuel is to be stored in and dispensed at the fuel facilities at the QTA; windshield wiper fluids, similar light fluids and cleaning products are to be used in the ConRAC or on vehicles in the ConRAC; and cleaning products for use in the Premises may and will be stored and used on the Premises, all in the ordinary course of operation of On-Airport Rental Car Concessionaires and operation of the ConRAC, subject to compliance with Environmental Laws.

E. Environmental Indemnification. SECOND PARTY shall protect, indemnify, defend, and hold harmless the CAA and any of its officers, servants, employees and agents and their respective heirs, legal representatives, successors and assigns, from and against any and all loss, damage, cost, charge, lien, debt, fine, penalty, injunctive relief, claim, demand, expense, suit, order judgment adjudication, liability, or injury to person, property or natural resources, including attorney's fees and consultants' fees arising out of attributable to, which may accrue out of, or which may result from (i) any violation or alleged violation of the Environmental Laws on the Premises during the term of this Agreement caused by SECOND PARTY or any agent of SECOND PARTY, except to the extent said violation or alleged violation is caused by the CAA or an entity controlled by the CAA, or (ii) the release, emission, leaching, migration or disposal or alleged release, emission, leaching, migration or disposal of Hazardous Substances (whether intentional or unintentional, direct, or indirect, foreseeable or unforeseeable) from the Premises in violation of Environmental Laws caused by SECOND PARTY or any agent of SECOND PARTY during the term of this Agreement, except to the extent said disposal or alleged disposal is caused by the CAA or an agent of the CAA (any of the foregoing being referred to in this Agreement as an "**Environmental Claim**"). Nothing herein will be deemed to preclude or limit SECOND PARTY from seeking or receiving contribution from any other potentially responsible party.

F. All SECOND PARTY's obligations in this Article shall survive the expiration or earlier termination of this Agreement or any other agreement or action, including, without limitation, any consent decree or order, between SECOND PARTY and/or RACs and any federal, State or municipal government, or any department or agency thereof.

ARTICLE 24. RECORD RETENTION AND DISCLOSURE RELATED ENVIRONMENTAL MATTERS

SECOND PARTY, for a period of ten (10) years following the date of termination of this Agreement, shall maintain copies of all records required by law to be generated by it with respect to environmental conditions on the Premises which are the subject of this Agreement, and of all incidents impacting same ("**Event**"). Alternatively, SECOND PARTY may provide to the CAA copies, which may be in digital format, of documents otherwise required under this Article to be maintained, after which SECOND PARTY's responsibility to retain those records will be deemed fully accomplished. For purposes of this Agreement, an Event shall, to the extent required to be reported by the Environmental Laws or other applicable state or federal law, include, but not be limited to, the discharge, spillage, uncontrolled loss, seepage, or infiltration of oil or petroleum, or chemical liquids or solid, gaseous products, or hazardous waste, or waste regulated under state or federal law. Within twenty-four (24) hours following the occurrence of any Event, RACs shall notify the CAA of same in writing. Said notification to the CAA shall be in addition to, and not in lieu of, any and all other record keeping and reporting requirements imposed upon RACs by law. Upon reasonable prior written request by the CAA, SECOND PARTY shall permit the CAA to inspect the Premises any and

all records required to be maintained hereunder, and promptly shall provide the CAA with such copies of same as the CAA may request in writing, at no cost to the CAA. SECOND PARTY hereby waives any claim of privilege that may attach to said records.

ARTICLE 25. POLICIES AND PROCEDURES

SECOND PARTY shall comply with any applicable terms and conditions of the CAA's Airport Policies and Procedures, as the same may be amended from time to time at the CAA's sole discretion; provided that the CAA shall not amend any Airport Policies and Procedures applicable to this Agreement without prior consultation with SECOND PARTY.

ARTICLE 26. COMPLETE AGREEMENT AND SURVIVAL OF PROVISIONS

A. This Agreement, when properly executed by the parties hereto and approved, in writing, by all the required governmental agencies, shall constitute the entire agreement between the parties hereto and shall supersede all other previous communications, representations or agreements, either oral or written, between the parties hereto with respect to the subject matter hereof; and no agreement or understanding varying or extending the same shall be binding upon either party hereto unless, in writing, signed by both parties hereto; and nothing contained in the terms or provisions of this Agreement shall be construed as waiving or impairing any of the rights of the CAA under the laws of the State of Connecticut.

B. If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this Agreement shall be declared to be invalid or unenforceable under Applicable Law by a court or agency having jurisdiction over the subject matter, said part shall be ineffective to the extent of such invalidity only, and the remaining terms and conditions shall be interpreted in such a manner so as to give the greatest possible effect of the original intent and purpose of the Agreement.

ARTICLE 27. STANDARDS FOR CONDUCT OF PERMITTED ACTIVITIES

A. Airport Authorization. SECOND PARTY recognizes the authority of the Executive Director in supervising activities at the Airport, including but not limited to SECOND PARTY's Permitted Activities. SECOND PARTY shall conform, without delay, to the directions of the Executive Director, which for the purposes of this Agreement includes his/her authorized designee, concerning public safety, traffic control and other matters within his/her authority, which directions shall be consistent with this Agreement. SECOND PARTY's disregard of such directions amounts to default and reasonable cause for the CAA to give notice of non-monetary default of this Agreement pursuant to Article 29.

B. No Discrimination. In performing the Permitted Activities at the Airport, SECOND PARTY shall operate its Rental Car Business on a fair, equal and not unjustly discriminatory basis to all customers and charge fair, reasonable and not unjustly discriminatory prices for each unit or service, provided that SECOND PARTY may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers, provided in accordance with all applicable federal and state laws, regulations and requirements.

C. **Training.** SECOND PARTY shall provide continual training to its employees, contractors and/or agents performing the Permitted Activities on behalf of SECOND PARTY to ensure compliance with all rules, regulations and directives, as may be updated throughout the Term, including but not limited to those related to traffic and safety, and to provide a high standard of customer service to Airport customers.

D. **Fleet.** In performing the Permitted Activities, SECOND PARTY shall provide late year model (no older than two (2) model years), low mileage Cars in good working condition that have no significant physical damage and no mechanical or structural defects. SECOND PARTY shall furnish good, prompt and efficient service and shall at all times have available a sufficient number of Cars to meet all commercially and reasonably foreseeable rental demands of the SECOND PARTY by the traveling public using the CONRAC. The CAA shall have the right, but not the obligation, to prohibit SECOND PARTY from offering rental of any Car that the CAA reasonably determines does not meet the standards of the rental car industry.

E. **Customer Complaints**. SECOND PARTY shall establish a procedure for customers to submit complaints and comments to SECOND PARTY about the services received and the conduct of SECOND PARTY's employees, contractors and/or agents in performing the Permitted Activities on behalf of SECOND PARTY. SECOND PARTY shall promptly review and investigate such complaints and comments upon receipt from one or more of its customers, and use its best efforts to resolve customer complaints and concerns, including but not limited to those regarding the manner in which any employee(s), contractor(s) or agent(s) of SECOND PARTY perform his/her/their responsibilities.

F. **Management Staff**. SECOND PARTY shall make available to the CAA, on a twenty-four (24) hour basis, management and supervisory personnel authorized to make decisions on behalf of SECOND PARTY in the event that the CAA needs to contact SECOND PARTY regarding its operations under this Agreement. SECOND PARTY shall provide to the CAA a list of the name(s) of such personnel upon execution of this Agreement and shall update and resubmit to the CAA the list whenever changes occur throughout the Term. SECOND PARTY represents that each of the personnel listed is authorized to act on behalf of and bind SECOND PARTY.

G. **Traffic Violations.** SECOND PARTY shall provide for payment of all traffic violation notices that are uncontested or upheld after contest issued to its Cars that are under the control or operation of its employees at the Airport. Further, SECOND PARTY shall pay for any expenses, such as towing or parking charges, incurred as a result of parking or abandoning of SECOND PARTY's Cars by any person in areas other than those designated by the CAA for use by the SECOND PARTY.

H. **Pricing.** SECOND PARTY shall not misrepresent to the public its prices or the terms and provisions of its rental agreements or of its competitors and in connection therewith shall comply with all applicable rules and regulations of the Federal Trade Commission and all other governmental agencies. SECOND PARTY shall fully inform each of its Airport Customers, prior to the execution of such customer's rental agreement, of all fees and charges applicable to the customer's rental. SECOND PARTY shall, upon receipt of written notice, immediately cease any business practices that the CAA reasonably identifies as deceptive, unreasonable or unconscionable.

I. Solicitation. SECOND PARTY shall ensure that its agents and employees do not engage in the overt solicitation for rentals or related services offered by SECOND PARTY outside SECOND PARTY's Premises on or about the CONRAC. Soliciting is defined as any action by any employee or representative of SECOND PARTY outside SECOND PARTY's exclusively leased space in the CONRAC to market or sell SECOND PARTY's rental services to an Airport Customer .

J. Operating Hours. SECOND PARTY agrees to open for business daily at the CONRAC no later than one hour prior to the first scheduled flight and to close daily no earlier than thirty (30) minutes after the last scheduled flight, unless otherwise determined by the Executive Director who shall give notice thereof in writing to the SECOND PARTY in accordance with Section 10.1 below.

K. Permits and Vehicle Registration. SECOND PARTY shall acquire and maintain in effect throughout the Term all permits, registrations, and licenses necessary to comply with local, State and Federal requirements with respect to the operation of its non-exclusive Rental Car Business at the Airport.

ARTICLE 28. NOTICES

A. It is mutually understood and agreed by the parties hereto that any Official Notice from one such party to the other such party (or parties), in order for such notice to be binding thereon, shall:

1. Be in writing addressed to:

   a. when the CAA is to receive such notice –

   Attn: Kevin Dillon, Executive Director
   Connecticut Airport Authority
   Bradley International Airport
   Administrative Office
   Terminal A, 3rd Floor
   Windsor Locks CT 06096

   with a copy to:

   General Counsel
   Connecticut Airport Authority
   Bradley International Airport
   Administrative Office
   Terminal A, 3rd Floor
   Windsor Locks CT 06096

   b. when SECOND PARTY is to receive such notice –

   [_____]

with a copy to:

[_____]

2. Be mailed United States Postal Service "Certified Mail" or via a nationally recognized express delivery service to the address recited herein as being the address of the party(ies) to receive such notice;

3. Contain complete and accurate information in sufficient detail to properly and adequately identify and describe the subject matter thereof; and

B. The term "**Official Notice**" as used herein shall be construed to include but not be limited to any request, demand, authorization, direction, waiver, and/or consent of the party(ies) as well as any document(s) provided, permitted or required for the making or ratification of any change, revision, addition to or deletion from the document, contract, or agreement in which this "**Official Notice**" specification is contained.

C. Further, it is understood and agreed that nothing hereinabove contained shall preclude the parties hereto from subsequently agreeing, in writing, to designate alternate persons (by name, title, and affiliation) to which such Official Notice(s) is(are) to be addressed; alternate means of conveying such Official Notice(s) to the particular party(ies); and/or alternate locations to which the delivery of such Official Notice(s) is(are) to be made, provided such subsequent agreement(s) is(are) concluded pursuant to the adherence to this specification.

ARTICLE 29. DEFAULT & CURE

A. **SECOND PARTY Default and Opportunity to Cure.** SECOND PARTY will be in default of this Agreement if it fails to comply with any of its terms and conditions. There are two types of defaults and opportunities to cure:

1. Monetary Default. SECOND PARTY is in default if it fails to duly and punctually pay the Concession Fees, Ground Rent, Facility Payments, CFC Remittances, or any other payments, charges, rents or fees required under this Agreement. CAA shall issue written notice of non-payment to the SECOND PARTY and the SECOND PARTY shall have ten (10) business days after notice to cure the default.

2. Non-monetary Default. SECOND PARTY is in default if it fails to keep, perform and observe any other term or condition set forth in this Agreement regarding the Second Party, including, but not limited to, the failure by the SECOND PARTY, or its employees, agents and contractors, to operate in a manner consistent with the uses and standards of service set forth herein. Except as provided in Article 30.A, below, CAA will issue written notice of the non-monetary default and SECOND PARTY shall have thirty (30) days after receipt of written notice to correct the instance of non-monetary default, or if the non-monetary default cannot reasonably be corrected within such thirty (30) day period, SECOND PARTY shall begin to correct the non-monetary default within five (5) business days of receipt of such notice and thereafter prosecute such correction diligently and continuously to completion. In no event shall such a default extend beyond ninety (90) days of notice from the CAA.

B. **Waiver**. The failure of the CAA to insist in any instance or in more than one instance upon a strict performance by the SECOND PARTY of any of the provisions, terms, covenants, reservations, conditions or stipulations contained in this Agreement shall not be considered as a waiver or relinquishment thereof for the future.

ARTICLE 30. TERMINATION OF THE AGREEMENT

A. Termination by CAA.

1. Immediate Termination – No Further Notice Required

In addition to all other available remedies, the CAA may terminate this Agreement with no further notice if any of the following events occur:

i. SECOND PARTY fails to cure any default after written notice and exhaustion of its cure rights as provided in Article 29.

ii. Within a six (6) month period the CAA has issued three (3) written notices of default to the SECOND PARTY for failure to comply with any one term or condition of this Agreement.

iii. SECOND PARTY becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof, or consents to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property.

iv. A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute, is filed against SECOND PARTY and is not dismissed within sixty (60) days after the filing thereof.

v. A transfer or assignment by the SECOND PARTY of this Agreement by the SECOND PARTY occurs without prior approval of the CAA.

vi. SECOND PARTY vacates the premises it is leasing at the ConRAC. Premises are presumed vacated if the SECOND PARTY's space in the customer service building of the ConRAC is completely unmanned during CONRAC hours of operation for three (3) consecutive days.

vii. SECOND PARTY conducts its operations in a manner that threatens public safety as reasonably determined by the CAA in conformity with the laws and regulations of the State of Connecticut.

viii. The CAA determines that SECOND PARTY willfully falsified any of its records or figures so as to deprive the CAA of any of its rights under the terms of this Agreement or diverted revenue as described in this Agreement.

ix. SECOND PARTY failed to comply with all applicable laws and regulations of the United States Government, the State of Connecticut, all agencies thereof, and all rules and/or regulations of the CAA or Airport now in effect or hereafter promulgated.

2. Termination by CAA after Notice

i. In addition to termination as stated above, the CAA may terminate this Agreement thirty (30) days after written notice by the CAA is received by the Second Party if any of the following events occur:

(A) With written concurrence of SECOND PARTY, the occurrence of any act that deprives the SECOND PARTY of the rights, power, licenses, permits, or authority necessary for the proper conduct and operations of the activities authorized herein.

(B) The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control, or use of the Airport and its facilities, or any part thereof, in such a manner as to substantially restrict SECOND PARTY's operations for a period in excess of ninety (90) consecutive days.

ii. In addition to termination as stated above, the CAA may terminate this Agreement five (5) Business Days after written notice by the CAA if SECOND PARTY has not provided and does not provide within those five (5) Business Days provide and/or maintain the Surety and/or Insurance required by this Agreement at any time during the Term. If the CAA does not terminate, SECOND PARTY must obtain a new or renewed policy that specifically provides the required coverage to the CAA for any liability arising during the lapsed or previously uncovered period.

B. Termination by SECOND PARTY. If SECOND PARTY is not in default under this Agreement, SECOND PARTY may terminate this Agreement without any monetary penalty, except that the SECOND PARTY shall be required to pay any monies due to date, at any time by giving the CAA forty-five (45) days advance written notice, upon the happening of any of the following events:

1. Issuance by a court of competent jurisdiction of an injunction in any way preventing or restraining normal use of the Airport or any substantial part of the Airport that remains in force for a period of ninety (90) consecutive days.

2. The inability of SECOND PARTY to use, for a period in excess of forty-five (45) consecutive days, the Airport or any substantial part of the Airport because of embargo, fire, explosion, earthquake, other similar casualty or acts of God or the public enemy, provided that same is not caused by SECOND PARTY's negligent acts of omission or commission or its willful misconduct.

3. The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control, or use of the Airport and its facilities, or any part thereof, in such a manner as to substantially restrict SECOND PARTY's operations for a period in excess of forty-five (45) consecutive days.

C. **Surrender**. Except where there is a holdover in accordance with Section 3.B, the SECOND PARTY agrees that upon the expiration of the Term of this Agreement, or at any time if the SECOND PARTY is no longer permitted to operate a Rental Car Business at the Airport, it will peaceably surrender possession of the premises it occupies at the CONRAC in accordance with the terms and conditions of this Agreement. CAA shall not be required to give notice to quit possession at the expiration date of the Term of this Agreement.

ARTICLE 31. NO WAIVER

A. The receipt of any payment by the CAA, with knowledge of any breach or default on the part of SECOND PARTY in the observance or performance of any of the conditions or covenants of this Agreement, shall not be deemed to be a waiver by the CAA of any provision of this Agreement. If SECOND PARTY makes any payment of any amount less than that due hereunder, the CAA without notice may accept the same as a payment on account; the CAA shall not be bound by any notation on any check involving such payment nor any statement in any accompanying letter.

B. No failure on the part of the CAA to enforce any covenant or provision herein contained, nor any waiver of any right thereunder by the CAA, unless in writing signed by an authorized representative of the CAA, shall discharge or invalidate such covenant or provision or affect the right of the CAA to enforce the same in the event of any subsequent breach or default by SECOND PARTY.

C. The receipt by the CAA of any Payment, Surety amount or any other sum of money or any other consideration paid by SECOND PARTY after the expiration of the Term or the earlier termination of the Agreement or after the giving by the CAA of any notice hereunder to effect such termination, shall not reinstate, continue, or extend the Term, or destroy in any manner, the effect of any such notice of termination as may be given by the CAA to SECOND PARTY prior to the CAA's receipt of any such sum of money or other consideration from SECOND PARTY, unless otherwise provided in this Agreement or as may be authorized by the CAA and agreed to in writing signed by authorized representatives of each the CAA and SECOND PARTY.

ARTICLE 32. FORCE MAJEURE Neither party hereto shall be liable to the other for any failure, delay or interruption in the performance of any of the terms, covenants or conditions of this Agreement due to causes beyond the control of that party including, without limitation: strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, terrorism, or any other circumstances for which such party is not responsible or which is not in its power to control.

In the event of any national emergency wherein there is a curtailment of the use of motor vehicles by the general public, or a limitation of the supply of gasoline available for general use either by executive decree or legislative action which, in fact, is a major curtailment of SECOND PARTY's operation then, in that event, the MAG provided for in Article 6 hereof shall not be required to be paid by SECOND PARTY during said period. However, SECOND PARTY shall be obligated to continue to pay the prescribed percentage of Gross Revenue stated in Article 6, and if any such national emergency shall continue beyond a period of one (1) year, then either party to this Agreement may terminate the same on sixty (60) days written notice to the other party.

ARTICLE 33. NO AGENCY RELATIONSHIP

Nothing contained herein or done pursuant hereto shall be deemed to create, as between SECOND PARTY and the CAA any partnership, joint venture or agency relationship.

ARTICLE 34 THE CAA'S RIGHTS OF INSPECTION AND REPAIR

A. **CAA Inspection Rights**. The CAA and its Representatives (herein defined as its authorized agents, representatives, officers and employees), shall have the right to inspect SECOND PARTY's premises as the CONRAC ("Premises") (including, but not limited to, any and all services and other work performed, and material supplied, at, to or for the Premises), and to repair, maintain, improve or reconstruct any CAA, State or federal facility(ies) and/or its appurtenances located on, above, below or near the d Premises in the CONRAC, at any time. If reasonably practicable, the CAA shall notify SECOND PARTY by letter, with no less than 10 days' notice, of its intention, stating the date and time when any such work is to be performed, and stating the exact location of such work. However, if an emergency arises, a telephone call from the CAA to SECOND PARTY shall suffice. SECOND PARTY agrees that, upon being notified by the CAA, SECOND PARTY shall take steps as necessary and possible to remove vehicles and other personal property from the work area where the work is to be performed, and will allow the CAA to place temporary barriers around the area (if practicable and so long as it does not interfere with SECOND PARTY's business operation) to secure the work area from SECOND PARTY's staff and customers. Notwithstanding the foregoing language, except in the case of an emergency, the CAA will not cause SECOND PARTY's business operations to cease or close. The CAA shall work closely with SECOND PARTY to minimize the interruption to SECOND PARTY's business, working during SECOND PARTY's least busy operational times, if possible.

B. **Inspection Rights of Contractors.** In addition to its rights under Section 34. A above, the CAA and its Representatives also shall have the right, at reasonable hours, to inspect or examine the Premises and any part of the plant(s) and/or other place(s) of business of SECOND PARTY and each Contractor which, in any way, are related to, or involved in, the performance of this Agreement and/or any agreement hereunder to ensure compliance with the same. Except in the case of

suspected fraud or other abuse or in the event of an emergency, the CAA will give SECOND PARTY or its Contractor(s), as applicable, at least twenty-four (24) hours' notice of any intended inspections or examinations.

C. **Survival.** The provisions of this Article shall survive the expiration or earlier termination of this Agreement, as the same may be amended, extended or renewed, and any holdover period, as applicable.

D. The provisions of this Article shall be included in each contract SECOND PARTY enters into with any Contractor, appropriately modified to reflect the relationship of the parties, providing that all references to the CAA shall remain unchanged and the CAA be specified to be a third-party beneficiary of such provisions.

ARTICLE 35. DISPUTE RESOLUTION AND MEDIATION

A. **Dispute Resolution**. If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this Sub-article does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. A party may make a written request for a meeting between representatives of each other party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they may proceed directly to mediation as described below.

B. **Mediation**. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the parties agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in this Agreement prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The parties will share the costs of the mediator equally. No determination or recommendation by the mediator will be binding on the parties.

C. **Participation in Arbitration.** To any extent SECOND PARTY receives written consent by CAA to a contract for proposed modification, addition, construction, renovation, improvement and/or installation of Tenant Improvements which includes a provision for binding arbitration of disputes, CAA shall each be given written notice of any such arbitration on the same terms as any other party and shall be entitled to participate to the full extent of their respective interests.

D. SECOND PARTY agrees as a condition of this Agreement that notwithstanding the existence of any dispute between the parties, insofar as is possible under the terms of the Agreement, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by a court of competent jurisdiction.

ARTICLE 36. DBE PROGRAM AND DISCRIMINATION COMPLIANCE

Disadvantage Business Enterprise Program. This Agreement is subject to ACDBE Program requirements issued by USDOT in 49 CFR Parts 23 and 26. Despite the lack of a race- and gender-conscious ACDBE participation goal for this Agreement, the CAA must track and report ACDBE and DBE participation that occurs as a result of any procurement, JV, goods/services, or other arrangement involving an ACDBE or DBE. For this reason, the SECOND PARTY shall provide all relevant information to enable the required reporting.

The Airport has a national market for small business participation. On-Airport RACs are required to provide a corporate Small Business Participation Plan ("Participation Plan") within 60 days following Agreement execution for CAA approval; such approval shall not be unreasonably withheld. The Participation Plan shall contain strategies to foster small business participation and information concerning the small businesses, including names of firms and addresses.

Every year on the anniversary date of the Agreement, SECOND PARTY is required to provide to Airport any material changes to the Airport approved Participation Plan.

Furthermore, SECOND PARTY is required to comply with Airport ACDBE Program Plan and 49 CFR Parts 23 and 26. SECOND PARTY shall track and report all ACDBE, DBE, and/or small business participation that occurs at Airport as a result of a contract, procurements, purchase orders, subleases, JV, goods/services or other arrangements involving sub-tier participation.

ARTICLE 37. FEDERAL CIVIL RIGHTS ASSURANCES

The SECOND PARTY shall not discriminate on the basis of race, color, national origin, sex, or creed in the performance of this Agreement. The SECOND PARTY shall carry out applicable requirements of 49 CFR Parts 21 and 23 in the award and administration of USDOT-assisted contracts. Failure by the SECOND PARTY to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as the CAA deems appropriate.

ARTICLE 38. GOVERNING LAW

The parties deem the Agreement to have been made in the City of Windsor Locks, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Agreement to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. For the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court. The SECOND PARTY waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

ARTICLE 39. MISCELLANEOUS PROVISIONS

A. Severability

If a covenant, term or condition of this Agreement is held to be unlawful, invalid, or unenforceable, the remainder of this Agreement shall remain in effect and fully enforceable.

B. Successors and Assigns Bound

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties where succession or assignment is permitted by this Agreement.

C. Amendments

Except as specifically provided in this Agreement, neither this Agreement nor any term or provision hereof may be changed, waived, discharged, or terminated, except by a written instrument signed by the SECOND PARTY and the CAA.

D. Authority to Execute Agreement

In the event the SECOND PARTY is a corporation, a limited liability company, or a partnership, each person executing this Agreement on behalf of SECOND PARTY does hereby covenant and warrant that SECOND PARTY is a duly authorized and existing entity duly qualified to do business in the State of Connecticut, that SECOND PARTY has full right and authority to enter into this Agreement, and that each of the person(s) executing this Agreement on behalf is authorized to do so by the officers and Board of Directors of the Corporation. The CAA may request other evidence reasonably necessary to confirm the foregoing warranties.

E. Attorney's Fees

In the event the CAA is obligated to participate in any court proceedings in order to enforce any of its rights under this Agreement or to collect its rates, fees and/or charges, the CAA, if successful, shall be entitled to an additional amount in such sum as any court having competent jurisdiction shall determine as a reasonable attorney's fee.

SECOND PARTY is prohibited from being reimbursed from any CFC funds to pay for Attorney's fees for claims/disputes arising under this Agreement.

Each party shall give prompt notice to the other of any claim or suit that may affect the other party.

F. Time of the Essence

Time is of the essence with respect to all provisions of this Agreement where a performance time period is specified.

G. Entire Agreement

The terms and provisions herein contained constitute the entire Agreement between the parties and shall supersede all previous communications, representations, or agreements either oral or written, between the parties hereto with respect to the subject matter hereof; and no agreement or understanding varying or extending the same shall be binding upon either party hereto unless in writing signed by both parties hereto.

The parties intend that this Agreement and exhibits shall be the final expression with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. Furthermore, no extrinsic evidence whatsoever (including prior drafts), may be introduced in any judicial or administrative proceeding involving this Agreement, except as specifically provided for by the laws of the State of Connecticut.

H. No Partnership or Agency

Nothing contained in this Agreement is intended or shall be construed to create or establish any partnership, agency, joint venture, or association between the parties hereto.

I. Cumulative Remedies

Except as otherwise provided in this Agreement, all rights and remedies of either party, set forth in this Agreement, and shall be nonexclusive and cumulative.

J. Conflict of Interest

SECOND PARTY further certifies that it has made a complete disclosure to the CAA of all facts bearing upon any possible interest, direct or indirect, with any officer or employee of the CAA presently has or will have in this Agreement or in the performance hereof or any portion of the profits hereof. Willful concealment of such facts by SECOND PARTY shall constitute a material breach of this Agreement and shall be grounds for termination by the CAA.

K. No Third-Party Beneficiaries

Except as set forth in Article 9.J, this Agreement is not intended to and does not create any rights for any entity or person other than the parties to this Agreement.

L. Interpretation

All terms defined herein and all pronouns used in this Agreement shall be deemed to apply equally to singular and plural and to all genders. The table of contents, titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. In the event of any ambiguity contained herein, it shall not be construed for or against any party hereto on the basis that such party did or did not author it. The term "or" is specifically used in its logical sense and, as such, is satisfied whenever one or more of its operands are true. Except as otherwise expressly provided or unless the context otherwise requires, (a) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as at the time applicable, (b) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision, and (c) the word "including" shall mean "including, without limitation," and (d) all Article, Section and other document subdivision references refer to respective Articles, Sections or subdivisions of this Agreement. The table of contents, titles and headings of the Articles and Sections of this Agreement have been inserted for

convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

M. Agent

To the extent that the CAA or the SECOND PARTY fail to appoint an agent for the service of process, or if such appointment lapses, the Secretary of State for the State of Connecticut, or his/her successors in office, is hereby appointed by each Party as agent for service of process for any action against the other Party arising out of or as a result of this Agreement, including any supplements and renewals, if any, and six (6) years thereafter, except as otherwise provided by State Statute.

N. Recordation of Agreement

The SECOND PARTY may record a Notice of Lease, in the land records of the Town(s) in which the said parcel(s) of land exist, at no expense to the CAA.

O. Approval

Whenever any provision of this Agreement requires the consent or approval of the CAA or provides to the CAA the right to make a determination or judgment, the CAA shall act reasonably, in good faith, and without undue delay.

P. General

1. Counterparts and Facsimile Signatures. This Agreement may be signed in one or more counterparts, each of which is deemed an original, and all of which together constitute one and the same instrument. A facsimile or scan of a Party's signature is also deemed an original.

2. Attorneys' Fees. Except as is expressly provided to the contrary elsewhere in this Agreement, all of the attorneys' fees and legal costs incurred by the respective Parties in negotiating and forming this Agreement shall be borne by the respective Parties.

3. Independent Counsel. Each Party to this Agreement has had the opportunity to consult independent legal, business, tax and financial counsel in negotiating, entering into and executing this Agreement, and this Agreement shall be interpreted as equally negotiated and drafted and not more favorably or unfavorably toward either Party due to the Agreement having been drafted by a particular Party.

Q. Priority of Documents

The Parties contemplate the execution of Bond Documents, Project Delivery Agreement, and Design-Build Agreement, all contemporaneously with or prior to the Effective Date of this Agreement, and certain terms, covenants and conditions regarding such documents are contained herein. The Parties also agree, that a

Facility Management Agreement, as described in Article 9.J, may be executed with a Facility Manager on or before Substantial Completion. To the extent of any conflict, the referenced documents shall have the following order of priority: Bond Documents, this Agreement, Project Delivery Agreement, Design-Build Agreement, and any Facility Management Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the parties on the date(s) set forth below.

CONNECTICUT AIRPORT AUTHORITY:

By_____
Kevin Dillon
Executive Director

Date:_____

SECOND PARTY:
[RENTAL CAR COMPANY]

By_____

[Name]
[Position]

Date:_____

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APPENDIX D

PROPOSED FORM OF BOND COUNSEL'S OPINION

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APPENDIX D

PROPOSED FORM OF BOND COUNSEL'S OPINION

April 9, 2019

Connecticut Airport Authority
Windsor Locks, Connecticut

$151,100,000
CONNECTICUT AIRPORT AUTHORITY
Customer Facility Charge Revenue Bonds
(Ground Transportation Center Project)

$35,410,000	**$115,690,000**
Series 2019 A	**Series 2019 B**
(AMT)	**(Federally Taxable)**

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the Connecticut Airport Authority (the "Authority") of (i) $35,410,000 aggregate principal amount of its Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project), Series 2019 A (AMT) (the "Series 2019 A Bonds"), and (ii) $115,690,000 aggregate principal amount of its Connecticut Airport Authority Customer Facility Charge Revenue Bonds (Ground Transportation Center Project), Series 2019 B (Federally Taxable) (the "Series 2019 B Bonds," and together with the Series 2019 A Bonds, the "Series 2019 Bonds"). The Series 2019 Bonds are being issued to (a) finance a portion of the costs of the development and construction of a consolidated rental car facility and related improvements at Bradley International Airport (the "Airport"), (b) fund a debt service reserve fund and coverage fund for the Series 2019 Bonds, (c) pay capitalized interest on the Series 2019 Bonds, and (d) pay the costs of issuance of the Series 2019 Bonds.

The Series 2019 Bonds are being issued pursuant to the provisions of Section 15-120bb et seq. of the Connecticut General Statutes (the "Act"), certain other provisions of Connecticut law, and the Trust Indenture, dated as of April 1, 2019 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). Issuance of the Series 2019 Bonds has been authorized by Resolution No. 2019-3 adopted by the board of directors of the Authority on January 16, 2019 (the "Resolution"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

In connection with the issuance of the Series 2019 Bonds and the opinions set forth below, we have examined the following:

(a) a copy of the Act;

(b) a certified copy of the Resolution;

(c) an executed counterpart of the Indenture;

(d) certifications of the Authority and others;

(e) an executed copy of a Tax Compliance Certificate dated this date relating to the Series 2019 A Bonds (the "Tax Certificate"); and

(f) an opinion of the Authority's General Counsel.

We also have examined the opinion of Updike, Kelly & Spellacy, P.C. as to certain matters concerning the Trustee.

We have examined the law and such other materials as we have deemed necessary in order to render this opinion. We have relied upon originals or copies, certified or otherwise identified to our satisfaction, of such public and private records, certificates and correspondence of public officials, including certificates of officials of the Authority and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the conformity to original documents of documents submitted as certified or photostatic copies, the validity of all applicable statutes, ordinances, rules and regulations, the capacity of all persons executing documents and the proper indexing and accuracy of all public records and documents.

As to questions of fact material to our opinion, we have relied upon the representations of the Authority contained in the certified proceedings of the Authority, the Trust Indenture, the Tax Certificate, the record of proceedings and other certifications received from the Authority, the Trustee, and the Underwriter, all dated April 9, 2019, without undertaking to verify the same by independent investigation. In rendering this opinion, we have assumed the power to enter into and perform, and the due authorization, execution and delivery of, by all parties other than the Authority, the agreements to which the Authority is a party.

From such examination, we are of the opinion that:

1. The Authority validly exists as a public instrumentality and political subdivision of the state of Connecticut, with the power to issue the Series 2019 Bonds.

2. The Series 2019 Bonds have been validly authorized and issued in accordance with the Act, the Resolution and the Indenture. Except as qualified herein, the Series 2019 Bonds are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefit of the Act and the Indenture.

3. The Indenture has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the Trustee and except as qualified herein, represents a valid and binding agreement of the Authority enforceable in accordance with its terms.

4. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Series 2019 Bonds, on the Trust Estate, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

5. The Series 2019 Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of the Trust Estate. No revenues of the Authority, other than the Customer Facility Charges, Facility Payments and the Contingent Payments, are pledged to the payment of the Series 2019 Bonds. Neither the Project nor any other properties of the Authority are subject to any mortgage or other lien for the benefit of the owners of the Series 2019 Bonds, and neither the full faith and credit of the Authority and any agency of the State of Connecticut nor the full faith and credit of and the taxing power of the State of Connecticut or any political subdivision of the State of Connecticut is pledged to the payment of the principal of or interest on the Series 2019 Bonds.

6. Under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019 A Bonds is not included in gross income for federal income tax purposes and is an item of tax preference for purposes of computing the federal alternative minimum tax on individuals. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority and others in connection with the Series 2019 A Bonds, and we have assumed compliance by the Authority with certain ongoing covenants to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code") to assure the exclusion of interest on the Series 2019 A Bonds from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2019 A Bonds in order that, for federal income tax purposes, interest on the Series 2019 A Bonds not be included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds, restrictions on the investment of proceeds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2019 A Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

In executing the Tax Certificate, the Authority covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Series 2019 A Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Series 2019 A Bonds, and (ii) the continuing compliance by the Authority with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

We express no opinion as to the exclusion from gross income for federal income tax purposes of interest on any Series 2019 A Bond for any period during which such Series 2019 A Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of such Series 2019 A Bond or a "related person" (each as defined in Section 147(a) of the Code).

7. Under existing statutes, interest on the Series 2019 Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Series 2019 B Bonds is included in gross income for federal income tax purposes. Other than as expressly described in paragraph 7 above, we express no opinion regarding the tax consequences relating to the ownership of, receipt of interest on or disposition of the Series 2019 B Bonds.

Except as stated in paragraphs 6 and 7 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2019 Bonds or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for federal income tax purposes of interest on the Series 2019 A Bonds.

The obligations of the Authority and the security provided therefor, as contained in the Series 2019 Bonds and the Indenture, may be subject to general principles of equity which permit the exercise of judicial discretion, and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and to the limitations on legal remedies against entities such as the Authority in the State of Connecticut. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Series 2019 Bonds or the Indenture.

Very truly yours,

Pullman & Comley, LLC

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the Connecticut Airport Authority (the "Authority") in connection with its issuance of its $151,100,000 Connecticut Airport Authority Customer Facility Charge Revenue Bonds, Series 2019 A (AMT) and Series 2019 B (Federally Taxable) (the "Series 2019 Bonds"), which have been duly authorized by the Resolution adopted by the Authority on January 16, 2019 (the "Resolution"), and pursuant to the Trust Indenture, dated as of April 1, 2019 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee").

In consideration of the issuance of the Series 2019 Bonds by the Authority and the purchase of such Series 2019 Bonds by the beneficial owners thereof, the Authority covenants and agrees as follows:

1. PURPOSE OF THIS UNDERTAKING. This Undertaking is executed and delivered by the Authority as of the date set forth below, for the benefit of the beneficial owners of the Series 2019 Bonds and to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below).

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires. All capitalized terms not defined herein shall be defined and have the meaning as set forth in the Indenture.

"Airport" means Bradley International Airport.

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the Bradley International Airport Enterprise Fund and General Aviation Airport Enterprise Fund prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time.

"EMMA" means the Electronic Municipal Market Access system established by the MSRB.

"Financial Obligation" means, for purposes of the Listed Events set forth in Exhibit II, (i) a 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). Debt obligations, derivative instruments or guarantees as to which a final official statement has been provided to the Municipal Securities Rulemaking Board by posting to EMMA are excluded from the definition of "financial obligation."

"Listed Event" means the occurrence of any of the events, with respect to the Series 2019 Bonds, set forth in Exhibit II.

"Listed Events Disclosure" means dissemination, of a notice of a Listed Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"1934 Act" means the Securities Exchange Act of 1934, as amended.

"Obligated Person" means the Authority and each Rental Car Company or other entity using the CONRAC under a Rental Car Lease and Operating Agreement or other agreement extending for more than one year from the date in question, which includes bond debt service as part of the calculation of rental payments or other payments thereunder, under which Rental Car Lease and Operating Agreement or other agreement such Rental Car Company or other entity has paid amounts in the form of Facility Payments and/or Contingent Payments, if any, or similar payments equal to at least 20% of the debt service on the Series 2019 Bonds for each of the prior two Fiscal Years of the Authority. At the time of issuance of the Series 2019 Bonds, the Authority is the only Obligated Person with respect to the Series 2019 Bonds.

"Participating Underwriter" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Series 2019 Bonds.

"Rule" means Rule 15c2-12 adopted by the SEC under the 1934 Act, as the same may be amended from time to time.

"SEC" means the Securities Exchange Commission.

"SEC Reports" means reports and other information required to be filed pursuant to Sections 13(a), 14 or 15(d) of the 1934 Act.

"State" means the State of Connecticut.

"Undertaking" means the obligations of the Authority pursuant to this Continuing Disclosure Undertaking.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds are as set forth in Exhibit III. The Official Statement relating to the Series 2019 Bonds dated March 27, 2019 is referred to herein as the "Final Official Statement."

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 9 of this Undertaking, the Authority hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in Exhibit I) to the MSRB through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. The MSRB requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer by generated because operations to which it is related have been materially changed or discontinued, the Authority shall disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Undertaking, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. EVENTS NOTIFICATION; LISTED EVENTS DISCLOSURE. Subject to Section 9 of this Undertaking, the Authority hereby covenants that it will disseminate in a timely manner (not in excess of ten (10) business days after the occurrence of a Listed Event) a Listed Events Disclosure to the MSRB through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. The MSRB requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2019 Bonds or defeasance of any Series 2019 Bonds need not be given under this Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. DUTY TO UPDATE PROCEDURES. The Authority shall determine, in the manner it deems appropriate, the proper procedures for disseminating such information required to be disseminated under the Rule each time it is required to file information with EMMA.

7. CONSEQUENCES OF FAILURE OF THE AUTHORITY TO PROVIDE INFORMATION. The Authority shall give notice in a timely manner to the MSRB through EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event the Authority shall fail to perform its duties under this Undertaking, the Authority shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Exhibit I or five business days with respect to the undertakings set forth in Exhibit II) from the time the Authority received written notice from any beneficial owner of the Bonds of such failure.

In the event the Authority fails to cure such failure within the applicable time periods specified above, the beneficial owner of any Series 2019 Bond may seek mandamus or specific performance by court order to cause the Authority to comply with its obligations under this Undertaking. Any court action to enforce this Undertaking must be initiated in the appropriate courts of the State. A default under this Undertaking shall not be deemed a default under the Series 2019 Bonds or the Indenture, and the sole remedy under this Undertaking in the event of any failure of the Authority to comply with this Undertaking shall be an action seeking mandamus or specific performance by court order.

8. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Undertaking, the Authority may amend this Undertaking, and any provision of this Undertaking may be waived, if:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority or type of business conducted;

(ii) this Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Series 2019 Bonds or an approving vote by the holders of not less than 60% of the aggregate principal amount of the Series 2019 Bonds then outstanding; or

(b) the amendment or waiver is otherwise permitted by the Rule.

In the event that the SEC or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Listed Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Authority shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Undertaking.

9. TERMINATION OF UNDERTAKING. The obligations of the Authority under this Undertaking shall remain in effect only for such period that the Series 2019 Bonds are outstanding in accordance with their terms and the Authority remains an Obligated Person with respect to the Series 2019 Bonds within the meaning of the Rule. The obligation of the Authority to provide the information and notices of the events described above shall terminate, if and when the Authority no longer remains such an Obligated Person. If any person, other than the Authority, becomes an Obligated Person relating to the Series 2019 Bonds, the obligations of such Obligated Person, as described in Section 15 below, shall terminate, if and when such Obligated Person no longer remains such an Obligated Person.

10. DISSEMINATION AGENT. The Authority may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such agent, with or without appointing a successor dissemination agent.

11. ADDITIONAL INFORMATION. Nothing in this Undertaking shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or Listed Event Disclosure, in addition to that which is required by this Undertaking. If the Authority chooses to include any other information in any Annual Financial Information Disclosure or Listed Event Disclosure in addition to that which is specifically required by this Undertaking, the Authority shall have no obligation under this Undertaking to update such other information or include it in any future Annual Financial Information Disclosure or Listed Event Disclosure.

12. BENEFICIARIES. This Undertaking has been executed to assist the Participating Underwriters in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the Authority and the beneficial owners of the Series 2019 Bonds and shall create no rights in any other person or entity.

13. ASSIGNMENT. The Authority shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of the Authority under this Undertaking or to execute an Undertaking under the Rule.

14. NO PRIOR UNDERTAKINGS. The Authority has not previously entered into any continuing disclosure undertaking pursuant to the Rule.

15. OTHER OBLIGATED PERSONS. If any person, other than the Authority, becomes an Obligated Person relating to the Series 2019 Bonds, the Authority shall engage in reasonable efforts to require such Obligated Person to comply with Sections 4 and 5 applicable to such Obligated Person, including the delivery of audited financial statements of such Obligated Person. The Authority has no obligation to file or disseminate any SEC Reports of an Obligated Person and has no responsibility for the accuracy, completeness or, except as provided in the preceding sentence, the timeliness of an Obligated Person's compliance with Sections 4 or 5. The Authority need not engage in any litigation to compel such Obligated Person to comply with the disclosure obligations under Sections 4 or 5.

16. GOVERNING LAW. This Undertaking shall be governed by the laws of the State, without giving effect to the conflict of law provisions thereof.

IN WITNESS WHEREOF, the party hereto has caused this Continuing Disclosure Undertaking in connection with the Series 2019 Bonds, to be executed by its duly authorized representative as of the date below written.

CONNECTICUT AIRPORT AUTHORITY

By _____
Title:

Date: April __, 2019

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND AUDITED FINANCIAL STATEMENTS

Annual Financial Information means the financial information and operating data as set forth below. All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents, including other official statements (subject to the following sentence), which have been submitted to the MSRB through EMMA, or filed with the SEC. If the information included by reference is contained in a final official statement, the final official statement shall have been submitted by the Authority to the MSRB. The Authority shall clearly identify each such item of information included by reference.

Annual Financial Information:

(a) Financial information and operating data (exclusive of Audited Financial Statements) of the Airport which shall include information generally consistent with the following information:

(i) with respect to the Authority, historical financial and statistical data of the Airport relating to (a) Enplaned Passengers by Airline, (b) Market Share of Rental Car Brands, (c) Total CFC Transactions, (d) CFC Transaction Days, (e) Total CFC's Received by the Airport and (f) Debt Service Coverage, generally consistent with that contained in the Official Statement;

Note: If any of the information described above is published by a third party and is no longer publicly available, the Authority shall include a statement to that effect as part of its Annual Financial Information for the year in which such lack of availability arises.

(ii) with respect to each Obligated Person (if any) other than the Authority, the Authority will include in its Annual Financial Information the identity of such Obligated Person and a statement that such entity is an Obligated Person as of the year of filing with respect to this Undertaking; and

Note: As of the date of this Undertaking, the Authority is the only Obligated Person with respect to the Series 2019 Bonds.

(iii) with respect to any Obligated Person other than the Authority, if such Obligated Person files SEC Reports, the Authority will include in its Annual Financial Information a statement that such SEC Reports may be viewed on the SEC's website or replacement website.

(b) The Authority's Annual Financial Information (exclusive of Audited Financial Statements) will be provided to the MSRB through EMMA not more than 270 days after the last day of the Authority's fiscal year, which is currently June 30, commencing with the fiscal year ended June 30, 2019.

(c) Audited Financial Statements are expected to be filed at the same time as the Annual Financial Information described in this Exhibit I. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be filed when available.

EXHIBIT II

LISTED EVENT NOTIFICATION AND DISCLOSURE

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. 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 security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;[1]
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the obligated person;[2]
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of the name of a trustee, if material;
15. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the obligated person, any of which reflect financial difficulties.

[1] Any scheduled redemption of the Series 2019 Bonds pursuant to mandatory sinking fund redemption requirements does not constitute a listed event within the meaning of the Rule.

[2] Note that, for purposes of the event identified in item 12, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

EXHIBIT III

CUSIP NUMBERS

$151,100,000
CONNECTICUT AIRPORT AUTHORITY
CUSTOMER FACILITY CHARGE REVENUE BONDS
(GROUND TRANSPORTATION CENTER PROJECT)
SERIES 2019

SERIES 2019 A (AMT)

Year of Maturity	CUSIP[+]
2049 (5%)	20773CAA4
2049 (4%)	20773CAB2

SERIES 2019 B (FEDERALLY TAXABLE)

Year of Maturity	CUSIP[+]
2023	20773CAC0
2024	20773CAD8
2025	20773CAE6
2026	20773CAF3
2027	20773CAG1
2028	20773CAH9
2029	20773CAJ5
2033	20773CAN6
2034	20773CAP1
2030 (insured)	20773CAK2
2031 (insured)	20773CAL0
2032 (insured)	20773CAM8
2039	20773CAQ9
2045	20773CAR7

[+] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2018 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the Underwriters or their agents or counsel are responsible for the accuracy of such numbers. No representation is made as to their correctness on the Series 2019 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2019 Bonds.

APPENDIX F

AUDITED FINANCIAL STATEMENTS OF
BRADLEY INTERNATIONAL AIRPORT ENTERPRISE FUND
AND GENERAL AVIATION AIRPORT ENTERPRISE FUND
FOR FISCAL YEAR ENDED JUNE 30, 2018

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Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Financial Report
with Supplemental Information
June 30, 2018

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

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plante moran

Plante & Moran, PLLC
Suite 360
4444 W. Bristol Road
Flint, MI 48507
Tel: 810.767.5350
Fax: 810.767.8150
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Bradley International Airport Enterprise Fund and
General Aviation Airports Enterprise Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the Bradley International Airport Enterprise Fund (BDL) and the General Aviation Airports Enterprise Fund (GA) as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund as of June 30, 2018 and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in detail in Note 1, the financial statements present only each fund and do not purport to, and do not, present the financial position of the Connecticut Airport Authority as of June 30, 2018 or the changes in its financial position or cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

As explained in Note 15 to the basic financial statements, the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which resulted in the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund restating net position for the recognition of the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund's other postemployment benefit-related activity incurred prior to July 1, 2017. Our opinion is not modified with respect to this matter.

Other Matters

Report on Prior Year Financial Statements

The basic financial statements of each fund as of and for the year ended June 30, 2017 were audited by a predecessor auditor, which expressed an unmodified opinion on each fund. The predecessor auditor's report was dated September 30, 2017.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise each fund's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Directors
Bradley International Airport Enterprise Fund and
General Aviation Airports Enterprise Fund

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2018 on our consideration of each fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering each fund's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 26, 2018

BRADLEY INTERNATIONAL AIRPORT ENTERPRISE FUND AND GENERAL AVIATION AIRPORTS ENTERPRISE FUND
JUNE 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the Bradley International Airport Enterprise Fund (BDL or Bradley) and the General Aviation Airports Enterprise Fund (GA) (collectively, the "Funds"), financial performance provides an overview for the year ended June 30, 2018. Please read it in conjunction with the Funds' financial statements that follow this section. The MD&A is intended to provide meaningful information to the reader for the current year, thereby enhancing the reader's understanding of the Funds' financial positions and the results of their operations.

As discussed in Note 1 to the financial statements, the Connecticut Airport Authority (CAA, or the "Authority") was established on July 1, 2011 but had no significant transactions until July 1, 2013, at which time the assets and liabilities of Bradley International Airport (Bradley) and the State of Connecticut's general aviation airports were contributed to the Authority. Bradley International Airport was previously reported as a stand-alone enterprise fund, and the General Aviation Airports were accounted for in the governmental funds of the Connecticut Department of Transportation. Connecticut State Statute Title 15 Chapter 267B required the establishment of the Bradley International Airport Enterprise Fund to account for the operations of Bradley airport and the General Aviation Airports Enterprise Fund to account for the operations of the five general aviation airports under the control of the CAA.

Enterprise Fund Financial Statements

An enterprise fund is used to present governmental activities where a fee is charged to external customers for goods that are sold or services that are rendered. Usually these activities are financed by debt that is secured solely by a pledge of the operating revenues of that activity.

The Funds' financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. The financial statements utilize the economic resources measurement focus and the accrual basis of accounting, thus providing the foundation for generally accepted accounting principles that are used in private-sector business reporting. This means that all assets and liabilities associated with the operations of the Funds are included on the statements of net position, and that revenues and expenses are recognized when earned and incurred, respectively, on the statements of revenues, expenses, and changes in net position.

Net position is presented in three components (i) net investment in capital assets, (ii) restricted, and (iii) unrestricted. Net position categorized as net investment in capital assets consists of all significant capital assets owned by the Funds, net of accumulated depreciation, and reduced by any outstanding balances of bonds or other debt related to the acquisition, construction or improvement of those assets. Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations that have an initial useful life beyond one year. Capital assets are depreciated over their useful lives and periodic depreciation expense is reported in the statements of revenues, expenses, and changes in net position. Net position is reported as restricted when constraints are placed on those assets by creditors, grantors, laws or imposed by law through constitutional provisions or enabling legislation. The restrictions in place at Bradley originate from indentures of trust associated with the sale of its airport revenue bonds, and regulations associated with its use of Passenger Facility Charges (PFCs) and Customer Facility Charges (CFCs).

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues and expenses and non-operating revenue and expenses of the Funds for the fiscal year with the difference, the

net income or loss, being combined with any capital contributions to determine the change in net position. That change, combined with the prior year-end net position total, reconciles to the net position total at the end of the current fiscal year.

The Statements of Cash Flows report cash activities for the fiscal year resulting from operating activities, capital and related financing activities and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash balance at the end of the current fiscal year.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is important to understanding the information included in the financial statements.

Supplemental Information

Supplemental information includes prior year comparative financial statements for both the Bradley International Airport Enterprise Fund and the General Aviation Airports Enterprise Fund, a Schedule of Passenger Facility Charge Expenditures and a Schedule of Insurance Coverage, which are required by the Federal Aviation Administration and bond indentures, respectively.

Required Additional Reports

Required additional reports include an Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* and an Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on the Passenger Facility Charge Program and on Internal Control Over Compliance.

FINANCIAL HIGHLIGHTS - BRADLEY INTERNATIONAL AIRPORT ENTERPRISE FUND
Unless otherwise stated, all values presented in the following MD&A are in thousands with the exception of various per passenger ratios presented

In FY 2018, Bradley financially outperformed budget expectations. Total operating revenue was 1.7% less than budget while operating & maintenance expenses excluding depreciation were 10.8% less than budget. Operating income excluding depreciation was 47.3% greater than budget. Airline revenues are a derivative of Bradley's operating expenses; accordingly, operating revenue results are below budget. Compared to FY 2017, total operating revenue increased 2.7% to $71,001, while total operating expenses before depreciation increased 6.7% to $54,325. Operating income before depreciation decreased 8.5% to $16,676. Net non-operating revenue increased from $17,978 in FY 2017 to $20,060 in FY 2018. This increase is primarily attributable to increases in PFC and CFC collections, further enhanced by interest income on those revenues, offset by increased expensed capital improvement costs and reduced actuarial pension gains. In addition, the adoption of GASB 75 for the Other Post-Employment Benefit (OPEB) in the current fiscal year added $594 in actuarial gain. Total net position at year-end totaled $262,244, an 8.2% increase from FY 2017's restated net position (restated due to the implementation of GASB 75). Total assets increased by $12.4 million or 2.6% and total liabilities increased by $44.1 million or 20.5%. The increase in liabilities was primarily due to adding $58,840 of OPEB liability with the implementation of GASB 75. Bradley generated debt service coverage of 343.7%, which is well above the 120.0% required by bond indenture.

An increase in passenger traffic was again realized in FY 2018 for the fifth straight year. In FY 2018, enplanements increased 4.5% over the FY 2017 enplanements and 9.5% over FY 2016 enplanements. The positive trends in passenger activity are a result of the Authority's efforts to grow new airline routes as well as from an overall improvement in the economy.

Net Position

The net position of Bradley is summarized in Table 1. Net position is a measurement of the financial condition of a fund/entity at a point in time. Bradley's net position increased $19,773 from the restated net position for June 30, 2017 to June 30, 2018. The increase in Net Position was primarily due to PFC and CFC collections offset by bond interest expense, expensed capital project costs and airline net revenue share expense.

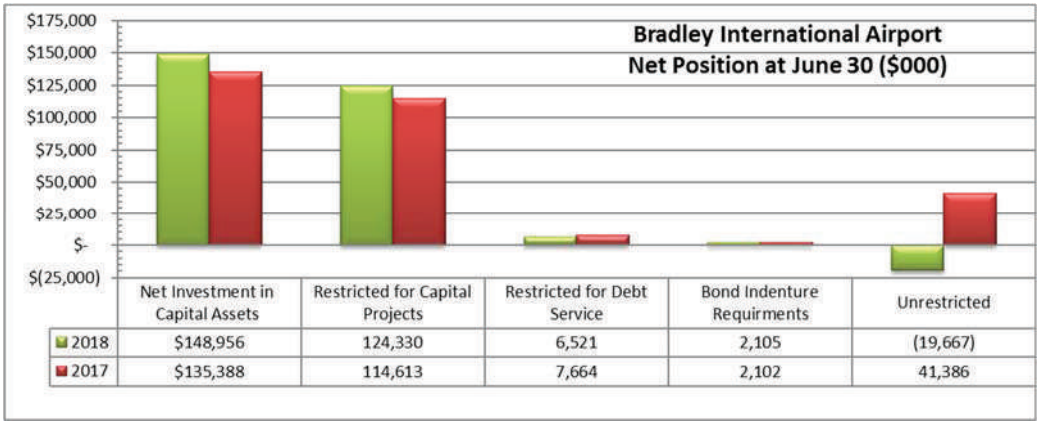
Table 1 also illustrates Bradley's assets (including deferred outflows of resources) exceeded its liabilities (including deferred inflows of resources) by $262,244 as of June 30, 2018. This net position includes $148,956 invested in capital assets net of related debt (an increase of 10.0%), assets restricted for PFC, CFC and bond indenture purposes of $132,955 (an increase of 6.9%) and unrestricted assets of ($19,667) (a decrease of 147.5%) from fiscal year 2017. The steep reduction in unrestricted assets is primarily attributable to a prior period adjustment of 58,682 related to the adoption of GASB 75 and the recording of the OPEB liability.

As of June 30, 2018, total revenue bonds payable less current maturities of $102,105 equate to $31.35 per enplaned passenger based on fiscal year 2018 enplaned passengers of 3,257, a 10.6% decrease from FY 2017 bonds payable of $35.07 per enplaned passenger.

TABLE 1
BALANCE SHEET
JUNE 30, 2018 AND 2017
(In thousands)

	2018	2017	2018 - 2017 Change ($)	2018 - 2017 Change (%)
ASSETS				
Current and Other Assets	$ 238,556	$ 228,730	$ 9,826	4.3%
Net Capital Assets	256,656	254,084	2,572	1.0%
TOTAL ASSETS	**495,212**	**482,814**	**12,398**	**2.6%**
DEFERRED OUTFLOWS OF RESOURCES				
Interest Rate Swap	10,999	16,265	(5,265)	-32.4%
Deferred Loss on Bond refunding	1,630	1,753	(123)	-7.0%
Deferred Pension Outflows	15,742	19,059	(3,317)	-17.4%
Deferred OPEB Outflows	2,433	-	2,433	100.0%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 30,804	$ 37,077	$ (6,272)	-16.9%
LIABILITIES				
Long-term Debt Outstanding	$ 102,105	$ 109,330	$ (7,225)	-6.6%
Other Liabilities	29,295	27,628	1,666	6.0%
Interest Rate Swap	10,999	16,265	(5,265)	-32.4%
Net Pension Liability	57,991	61,956	(3,966)	-6.4%
Net OPEB Liability	58,840	-	58,840	100.0%
TOTAL LIABILITIES	**259,230**	**215,179**	**44,050**	**20.5%**
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	2,861	3,559	(697)	-19.6%
Deferred OPEB Inflows	1,682	-	1,682	100.0%
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 4,543**	**$ 3,559**	**$ 984**	**27.7%**
NET POSITION				
Net Investments in Capital Assets	148,956	135,388	13,568	10.0%
Restricted	132,955	124,379	8,576	6.9%
Unrestricted	(19,667)	41,386	(61,053)	-147.5%
TOTAL NET POSITION	**262,244**	**301,153**	**(38,909)**	**-12.9%**

	2018	2017	2018 - 2017 Change ($)	2018 - 2017 Change (%)
Net Position at June 30				
Net Investment in Capital Assets	$ 148,956	$ 135,388	$ 13,568	10.0%
Restricted for Capital Projects	124,330	114,613	9,717	8.5%
Restricted for Debt Service	6,521	7,664	(1,143)	-14.9%
Bond Indenture Requirments	2,105	2,102	3	0.1%
Unrestricted	(19,667)	41,386	(61,053)	-147.5%
Total Net Position	**$ 262,244**	**$ 301,153**	**$ (38,909)**	**-12.9%**



Changes in Net Position

The increase in net position shown on Table 1 was generated from the activity shown on Table 2, Changes in Net Position, for the Years Ended June 30, 2018 and 2017. Changes in net position represent the fiscal year financial results of Bradley. The change in net position for FY 2018 is $19,773 compared to $24,751 in FY 2017. Overall for FY 2018 total net position increased 8.2% compared to the restated FY17 Net Position.

Bradley experienced net income before capital contributions in FY 2018. Operating revenues increased by $1,875 or 2.7%, attributable to modest increases in results across most core revenue streams, including airline terminal rent, terminal concessions and other concessions. Slight reductions in rental car revenues and landing fees offset this generally favorable increase year over year. Operating expenses before depreciation increased $3,421 or 6.7% compared to FY 2017, outweighing the positive revenue performance experience in the current year. Increases were experienced in all categories of expenses except utilities. Depreciation and amortization increased $1,022 or 6.1% over FY 2017 resulting in an operating loss of $1,004.

TABLE 2
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018
(In Thousands)

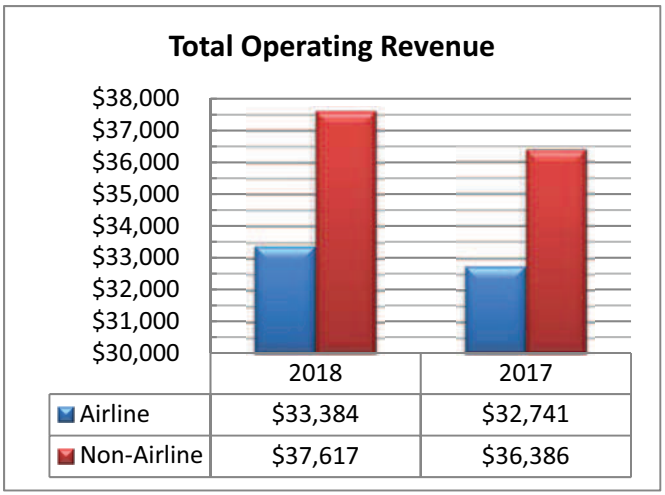
	2018	2017	2018 - 2017 Change ($)	2018 - 2017 Change (%)
OPERATING REVENUES				
Landing Fees	$ 18,133	$ 18,424	$ (291)	-1.6%
Airline Terminal Rent	10,897	10,393	503	4.8%
Aircraft Parking	4,354	3,924	430	11.0%
Auto Parking	11,631	11,392	239	2.1%
Rental Cars	8,501	8,998	(497)	-5.5%
Terminal Concessions	4,762	4,396	366	8.3%
Land and Building Rent	5,081	4,945	136	2.7%
Other Concessions	4,811	3,960	851	21.5%
Other Operating Revenue	2,832	2,695	137	5.1%
TOTAL OPERATING REVENUES	71,001	69,127	1,875	2.7%
OPERATING EXPENSES				
Salaries and Related Expenses	21,869	21,096	774	3.7%
Administrative and General	20,477	17,957	2,520	14.0%
Repairs and Maintenance	7,118	6,957	161	2.3%
Utilities	4,861	4,894	(34)	-0.7%
OPER EXPENSE BEFORE DEPRECIATION	54,326	50,905	3,421	6.7%
OPER INCOME BEFORE DEPRECIATION	16,676	18,222	(1,546)	-8.5%
Depreciation and Amortization	17,680	16,658	1,022	6.1%
OPERATING INCOME (LOSS)	(1,004)	1,565	(2,569)	-164.2%
NONOPERATING REVENUES(EXPENSES)				
Car Rental Facility Charge Revenue	11,356	10,222	1,134	11.1%
Passenger Facility Charge Revenue	14,197	12,962	1,235	9.5%
Investment Income	1,476	572	905	158.2%
Revenue Bond Interest Expense	(4,348)	(4,596)	248	-5.4%
Other Non-Operating Expenses	(2,484)	(1,249)	(1,234)	98.8%
Airline Net Rev Share Exp	(2,077)	(2,312)	236	-10.2%
Actuarial Pension Gain	1,346	2,380	(1,034)	-43.4%
Actuarial OPEB Gain	594	-	594	100.0%
NET NONOPERATING REVENUES (EXPENSE)	20,060	17,978	2,082	11.6%
INCOME BEFORE CAPITAL CONTRIBUTIONS	19,056	19,543	(487)	-2.5%
CAPITAL CONTRIBUTIONS	717	5,209	(4,491)	-86.2%
Change in Net Position	19,773	24,751	(4,978)	-20.1%
Net Position, Beginning of year, as previously reported	301,153	276,402	24,751	9.0%
Cumulative Effect of Change in Accounting (Note 15)	(58,682)	-	(58,682)	-100.0%
Total Net Position, Beginning of Year (as restated)	242,471	276,402	(33,931)	-12.3%
Total Net Position, End of Year	$ 262,244	$ 301,153	$ (38,909)	-12.9%

BRADLEY INCOME

As indicated on Table 2, Bradley generated operating income before depreciation of $16,676, net non-operating revenues (expenses) of $20,060 and $717 of capital contributions. The change in net position for fiscal year 2018 was $19,773 as compared to the prior year change in net position of $24,751. The operating and non-operating revenues and expenditures associated with this income are addressed below.

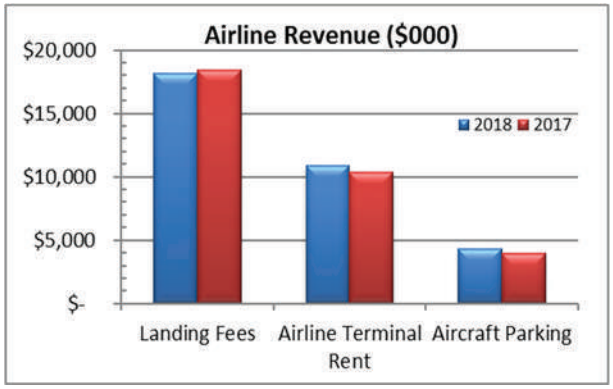
Operating Revenues

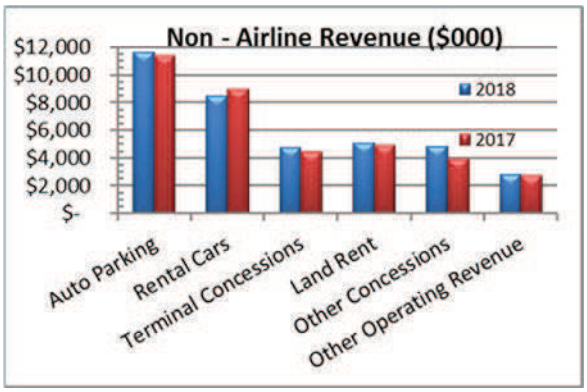
Operating revenues for fiscal year 2018 totaled $71,001, an increase of $1,875 or 2.7% from fiscal year 2017. Operating revenues are segregated between airline and non-airline sources. Airline revenues were $33,384 or 47.0% of total operating revenue, and non-airline revenues were $37,617 or 53.0% of total operating revenue as shown at right and in greater detail below.



	2018	2017
Airline	$33,384	$32,741
Non-Airline	$37,617	$36,386

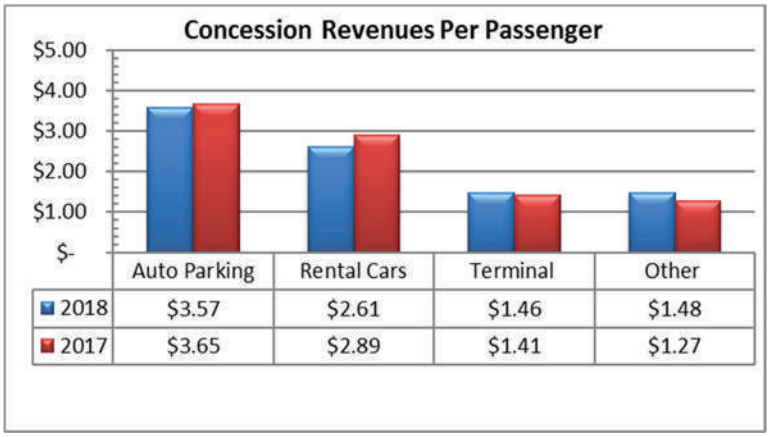
Airline revenues increased by $643 or 2.0% from fiscal year 2017 to fiscal year 2018. The Airlines pay rates and charges based on budgeted operating expenditures and debt service allocated to airline cost centers including the landing area, terminal building and aircraft parking aprons. The fiscal year 2018 operating expense budget of $60,881 reflected a 1.3% increase in operating expenses over the fiscal year 2017 operating budget, which was appropriately reflected in budgeted airline rates and charges. The current airline agreements include a true-up feature which causes airline rates and charges to be recalculated based on actual operating expenditures rather than budgeted operating expenditures. Fiscal year 2018 operating expenditures were 10.8% under budget which in turn caused operating revenues to be 1.7% below budget due to the true-up feature applied to airline revenues.





Deducting cargo airline landing fees of $3,736 and airline net revenue share of $2,077 from total airline revenue of $33,384 results in passenger airline revenue of $27,571. This equates to a fiscal year 2018 Cost per Enplaned Passenger (CPE) of $8.47 based on fiscal year 2018 enplaned passengers of 3,257, a 1.3% decrease from the fiscal year 2017 CPE of $8.58.

Total non-airline revenues increased by $1,232 or 3.4% from fiscal year 2017. Non-airline revenues are comprised of the various concessions operating at Bradley, land rent and other operating revenue. Concession operations include auto parking, rental cars, terminal concessions and other concessions, which combine for total revenue of $29,704. The largest source of concession revenue is vehicle parking operations which totaled $11,631. Terminal concessions include food and beverage, retail, advertising and miscellaneous services provided in the terminal. Other concessions include in-flight food catering, the Sheraton Hotel located in the terminal, ground transportation services and others.



Total concession revenue of $29,704 equates to $9.12 per enplaned passenger based on fiscal year 2018 enplaned passengers of 3,257, a 1.1% decrease from fiscal year 2017 concession revenue per enplaned passenger of $9.22. The division of revenues per passenger among the various concessions is shown above.

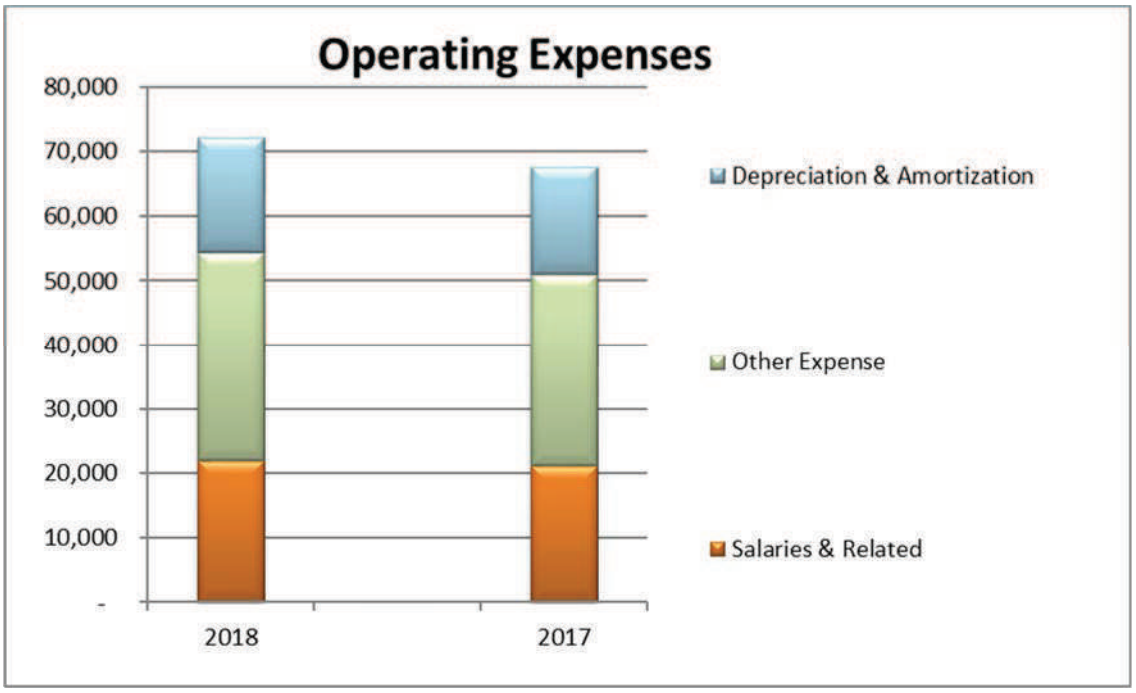
Operating Expenses

Operating expenses in fiscal year 2018 totaled $72,005, an increase of $4,443 from fiscal year 2017. Operating expenses include salaries and related expenses, security costs, administration costs, repairs & maintenance, energy and utilities, and depreciation. The distribution and comparison of fiscal year 2018 and fiscal year 2017 operating expenses is shown in Table 3.

As indicated on Table 3, an increase in salaries, fringe benefits, security costs along with increases in administrative & general expenses and repairs & maintenance expenses are offset by decreases in overtime, other payroll, and utilities. The increase in fringe benefit was largely due to the percentage increase for SERS, and the increase in administrative & general costs was due to airline marketing incentive costs related to the continuation of international service to Bradley. The increase experienced in repairs and maintenance was mostly due to contract services at the airport and winter storm supplies. Depreciation and amortization increased by $1,022 or 6.1% over fiscal year 2017.

TABLE 3
OPERATING EXPENSES
JUNE 30, 2018 AND 2017
(In thousands)

			2018 - 2017	
Salaries & Related	**2018**	**2017**	**Change ($)**	**Change (%)**
Salaries	$ 10,229	$ 10,037	$ 192	1.9%
Overtime	916	1,013	(97)	-9.6%
Other Payroll	325	366	(41)	-11.1%
Fringe Benefit	10,400	9,680	720	7.4%
Salaries & Related	21,869	21,096	774	3.7%
Other Expense				
Payment In Lieu of Tax	4,679	4,679	(0)	0.0%
Security	8,324	7,376	948	12.9%
Administrative & General Costs	7,475	5,903	1,572	26.6%
Repairs and Maintenance	7,118	6,957	160	2.3%
Utilities	4,861	4,894	(34)	-0.7%
Other Expense	32,456	29,809	2,647	8.9%
Expenses Before Depreciation	**54,325**	**50,905**	**3,420**	**6.7%**
Depreciation & Amortization	17,680	16,658	1,022	6.1%
Total Operating Expenses	**$ 72,005**	**$ 67,562**	**$ 4,443**	**6.6%**



Net Non-operating Revenue (Expense)

Non-operating revenues and (expenses) includes Bradley's Passenger Facility Charges (PFCs), Car Rental Facility Charges (CFCs), investment income, revenue bond interest expense, other non-operating expenses, actuarial pension and OPEB gain/loss, and airline net revenue share expense. Other non-operating expenses are predominantly reflective of capital improvement project costs that must be expensed versus capitalized as an asset. Bradley is presently authorized by the Federal Aviation Administration (FAA) to assess a PFC charge of $4.50 per enplaned passenger. The revenue associated with this charge is restricted for approved capital projects, and currently supports debt service incurred for eligible components of the terminal expansion and improvement program as well as certain "pay as you go" projects. In fiscal year 2018, Bradley collected total PFCs (excluding PFC interest) of $13,306, an increase of 5.8% from fiscal year 2017. Bradley is also authorized by contract with the rental car companies to assess a CFC per rental car transaction day. The existing rate for this is $6.95 per rental car transaction day. The revenue associated with this charge is recognized according to criteria established by bond indenture and subsequently transferred to a project account dedicated to design, engineer and construct a ground transportation center at Bradley, of which the largest component will be a consolidated rental car facility. CFC collections commenced December 2009 and revenues for fiscal year 2018 totaled $10,753 (excluding interest), an increase of 7.8%. Investment income from all accounts totaled $2,970, a 147.9% increase from fiscal year 2017 investment income of $1,198. Investments are addressed in Note 2 to the financial statements. Investment earnings on certain accounts are restricted for the purposes of the account as discussed in the notes to financial statements. Revenue bond interest expense for fiscal year 2018 totaled $4,348, a decrease of 5.4% from fiscal year 2017. Non-operating other expenses for fiscal year 2018 equaled $2,484, which is a 98.8% increase from fiscal year 2017. The CAA executed an Airline Operating Agreement and Terminal Building Lease with the signatory air carriers at Bradley airport that was effective July 1st, 2015. The lease provides for the potential sharing of net revenues with the airlines. If enough net revenue is available (excluding restricted sources such as PFC's and CFC's) after all operating expenses and bond costs are satisfied, those net revenues are shared with the airline pursuant to a formula outlined in the airline lease. For FY 2018, the airlines will share in $2,077 which is reflected as a non-operating expense to Bradley. A reduced actuarial pension gain recognized in FY 2018 compared to FY 2017 was also a large driver of change in overall non-operating revenue (expense). In FY 2017, the airport realized a $2,380 actuarial pension gain, versus $1,346 in FY 2018. With the implementation of GASB 75 in FY 2018, BDL also recognized an incremental actuarial gain of $594. Net non-operating revenues (expense) for fiscal 2018 is $20,060, an increase of $2,082 over FY 2017. Net income before capital contributions for fiscal year 2018 is $19,056. Overall, net income along with capital contributions of $717 increased net position for Bradley by $19,773.

CAPITAL CONTRIBUTIONS

Total FY 2018 capital contributions equaled $717, a decrease of $4,492 from fiscal year 2017 capital contributions of $5,209. Under the AIP program, the FAA provides grants that are available for eligible, approved projects within the funding limitations of the program, which requires certain matching contributions to be made by Bradley. Projects and capital contributions are summarized below.

Capital Contributions ($000)	2018	2017	2018 - 2017 Change ($)	2018 - 2017 Change (%)
Obstruction Removal	$ 733	$ -	$ 733	100.0%
Planning Studies	-	4	(4)	-100.0%
Repair Drainage Structures	33	2,489	(2,456)	-98.7%
Taxiways	(49)	2,477	(2,526)	-102.0%
Purchase of Squitters	-	225	(225)	-100.0%
EV Charging Stations	-	14	(14)	-100.0%
Total	$ 717	$ 5,209	$ (4,492)	-86.2%

BUDGET TO ACTUAL PERFORMANCE

Bradley's annual operating budget for fiscal year 2018 was developed pursuant to procedures established in applicable State Statute as well as in the Airline Operating Agreement and Terminal Building Lease between the CAA and the signatory air carriers which went into effect July 1st, 2015. These procedures provide for preparation of the budget, submission to and approval of the budget by the Authority's Board of Directors (the Board) and consultation with signatory airlines before the beginning of each fiscal year. The operating budget includes airline and non-airline revenues, passenger facility charges, operating and maintenance expenses, expenditure allocation to Bradley cost centers including the landing, apron, terminal and other cost centers, and development of the rates and charges that will be paid by the airlines during the ensuing fiscal year. Budget to actual performance for fiscal year 2018 is shown in Table 4.

Total operating revenues were 1.7 % less than budget. All categories of airline revenue were less than budget as a result of performing an airline rates and charges true-up entry. FY 2018 airline rates and charges are initially set based on FY 2018 operating budget. Pursuant to the airline operating agreement, once the full year of actual operating results are available, the airline rates and charges are recalculated using actual, rather than budgeted, operating expenses as the base for the calculation. Given operating expenses were substantially under budget, there was a $2.6M true-up to airline operating revenues. Non-airline revenues were over budget by $1,967 or 5.5%. A positive variance was experienced in all categories of non-airline revenues. PFC revenue and related interest was $1,689 or 13.5% over budget. CFC revenue and related interest was also over budget by $684 or 6.4%. Total operating expenses before depreciation were 10.8% under budget with surpluses realized in almost all categories of expenses.

Table 4
FY 2018 Budget to Actual Performance ($000)

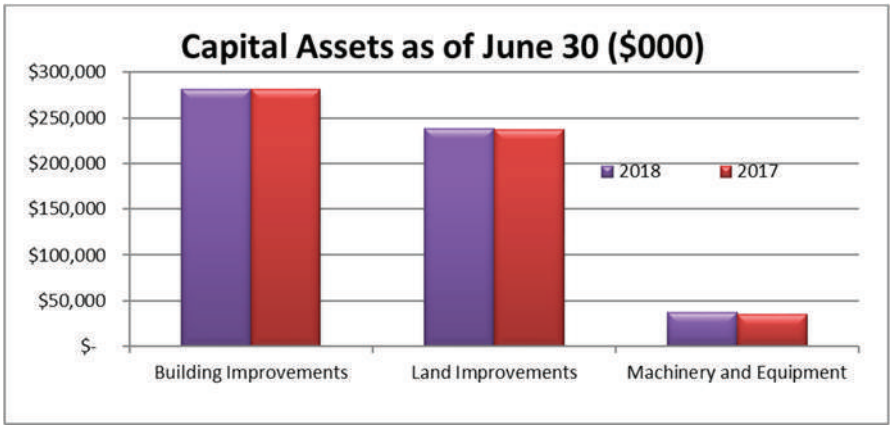
	Budget	Actual	Variance Greater (Less) Than Budget ($000)	Percent
Airline Revenue	$ 36,550	$ 33,384	$ (3,166)	-8.7%
Non-Airline Revenue	35,651	37,617	1,967	5.5%
Total Operating Revenue	$ 72,201	$ 71,001	$ (1,199)	-1.7%
Passenger Facility Charges & PFC Interest	12,507	14,197	1,689	13.5%
Car Rental Facility Charge Revenue & CFC Interest	10,672	11,356	684	6.4%
Operating & Maintenance Expenses before Depreciation	$ 60,881	$ 54,325	$ (6,555)	-10.8%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Bradley's capital assets increased $12.9 million for the year ended June 30, 2018. Changes in detailed capital asset categories are summarized in Table 5 below. The large increase in Construction in Progress reflects the ongoing work on the Ground Transportation Center, the new roadway system and the elevator design and construction in the new terminal.

Table 5 Capital Assets as of June 30 ($000)	2018	2017	2018 - 2017 Additions
Building Improvements	$ 281,175	$ 280,990	$ 184
Land Improvements	238,554	236,893	1,660
Machinery and Equipment	36,831	35,180	1,651
Total Depreciable	**556,559**	**553,063**	**3,495**
Land	2,657	2,657	0
Construction in Progress	23,908	14,503	9,405
Total Non - Depreciable	**26,566**	**17,160**	**9,405**
Total	**$ 583,124**	**$ 570,223**	**$ 12,901**



Debt

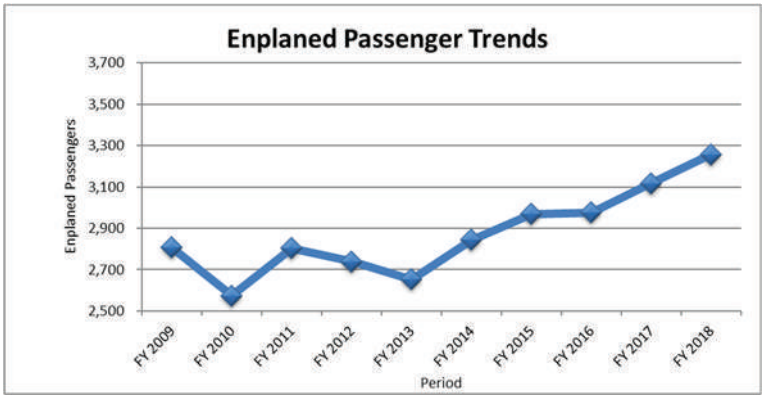
At year-end, Bradley had $109,330 in General Airport Revenue Bonds outstanding versus $116,290 in fiscal year 2017 - a decrease of $6,960 or 6.0%. Bradley had two outstanding series of bonds at June 30, 2018. These include the Series 2011A and Series 2011B issued to refund the bonds previously issued in support of Bradley's terminal expansion and improvement program. Principal outstanding on these bonds as of June 30 is shown below:

Principal Outstanding	2018	2017	2018-2017 Change
Series 2011A	$ 65,600	$ 69,775	$ (4,175)
Series 2011B	43,730	46,515	(2,785)
Total Principal Outstanding*	$ 109,330	$ 116,290	$ (6,960)

* Less current maturities of $7,225 results in revenue bonds payable (Long Term Portion) of $102,105 as of June 30, 2018. For a more detailed description of long-term debt obligations see Note 6 in the accompanying financial statements.

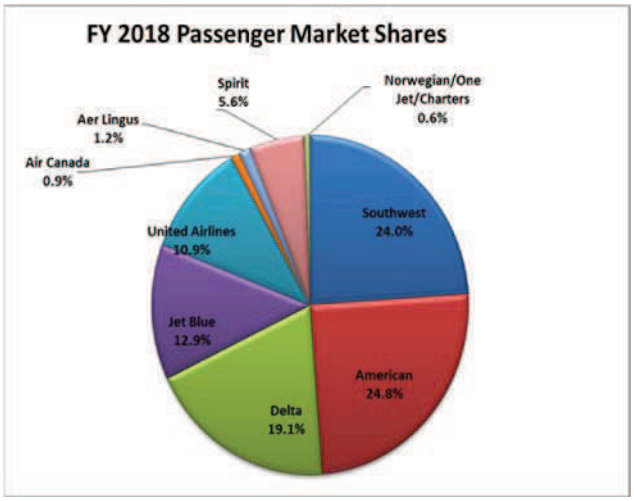
ECONOMIC FACTORS AND OUTLOOK

The financial health and stability of the airline industry nationally, regionally and at Bradley is the most significant economic factor with the potential to adversely affect Bradley. The industry experienced a prolonged period of industry challenges reflecting the economic recession, increased costs, extremely narrow margins and lower traffic resulting in multiple airline bankruptcies, consolidations and reorganizations, as well as deep cuts to air service capacity. The industry has significantly rebounded and has shown consistent growth over the past several years. Sustained low jet fuel costs and an overall rebounding economy has allowed airlines to enjoy record profits recently.



Bradley has shown consistent growth in passenger traffic over the past five years reflecting the CAA's efforts in route development and a rebounding economy. Bradley's strong airline cost recovery structure and its non-airline revenue structure have provided consistent financial performance.

In fiscal year 2018, Bradley enplaned 3.257 million passengers, a 4.5% increase from fiscal year 2017. Through diligent route development efforts, the Authority has been able to add several new routes as well as new airlines to the Bradley menu of services. International service was restored in September 2016 with non-stop service to Dublin, Ireland with Aer Lingus. This non-stop service to Ireland has recently been extended for an additional four years, taking the Aer Lingus commitment to Bradley out to 2022. In addition to this new international service, Spirit Airlines started domestic service to Orlando, FL, Fort Lauderdale, FL and seasonal flights to Myrtle Beach, SC. Later in FY 2018 they added seasonal flights to Tampa, FL and Fort Myers, FL. Southwest Airlines has also added a new flight to St. Louis, MO starting in August 2018.



In fiscal year 2018, Bradley continued to maintain a strong diverse market share amongst 8 main carriers. Year over year, Spirit increased the most due to the additional flights and a full fiscal year of operations on other flights. Aer Lingus had the second largest increase with 48.9% growth in their passenger count for fiscal year 2018, reflecting a full fiscal year of operations, followed by Air Canada with a 6.8% increase. American is the largest carrier at Bradley with 24.8% of the market following closely by Southwest with 24.0% of the market. Both carriers experienced a slight decrease in market share compared to fiscal year 2017. Delta is the third largest carrier 19.3% of the market, a slight decrease from fiscal year 2017.

	2018 Enplaned Passengers			2017 Enplaned Passengers		
Carrier	Mainline	Regional / Express Operations	Total	Mainline	Regional / Express Operations	Total
American	575,569	231,937	**807,506**	551,759	257,710	**809,469**
Southwest	780,671	-	**780,671**	811,642	-	**811,642**
Delta	552,237	76,070	**628,307**	550,377	83,035	**633,412**
Jet Blue	420,471	-	**420,471**	432,901	-	**432,901**
United Airlines	213,876	140,686	**354,562**	209,543	143,793	**353,336**
Spirit	181,828	-	**181,828**	17,626	-	**17,626**
Aer Lingus	40,271	-	**40,271**	27,047	-	**27,047**
Air Canada	-	29,580	**29,580**	-	27,698	**27,698**
Norwegian/One Jet/Charters	11,107	2,675	**13,782**	955	3,380	**4,335**
Total	**2,776,030**	**480,948**	**3,256,978**	**2,601,850**	**515,616**	**3,117,466**

These market shares reflect the activity of Bradley's major air carriers combined with the enplaned passengers of their affiliated or contracted regional commuter / express operators. As of June 2018, American, United, Delta, Southwest, Air Canada, Jet Blue, Spirit, Aer Lingus, One Jet and 21 additional regional commuter/express operators served Bradley. Bradley continues to offer a diverse mix of air carriers. Enplaned passenger traffic by carrier and market shares for fiscal year 2018 and fiscal year 2017 are shown below in Table 6.

Table 6
Bradley International Airport
Passenger Market Share Trends

	2018 Enplaned Passengers			2017 Enplaned Passengers		
Carrier	Mainline	Regional / Express Operations	Total	Mainline	Regional / Express Operations	Total
American	575,569	231,937	**807,506**	551,759	257,710	**809,469**
Southwest	780,671	-	**780,671**	811,642	-	**811,642**
Delta	552,237	76,070	**628,307**	550,377	83,035	**633,412**
Jet Blue	420,471	-	**420,471**	432,901	-	**432,901**
United Airlines	213,876	140,686	**354,562**	209,543	143,793	**353,336**
Spirit	181,828	-	**181,828**	17,626	-	**17,626**
Aer Lingus	40,271	-	**40,271**	27,047	-	**27,047**
Air Canada	-	29,580	**29,580**	-	27,698	**27,698**
Norwegian/One Jet/Charters	11,107	2,675	**13,782**	955	3,380	**4,335**
Total	**2,776,030**	**480,948**	**3,256,978**	**2,601,850**	**515,616**	**3,117,466**

	2018 Market Shares			2017 Market Shares		
Carrier	Mainline	Regional / Express Operations	Total	Mainline	Regional / Express Operations	Total
American	17.7%	7.1%	**24.8%**	17.7%	8.3%	**26.0%**
Southwest	24.0%	0.0%	**24.0%**	26.0%	0.0%	**26.0%**
Delta	17.0%	2.3%	**19.3%**	17.7%	2.7%	**20.3%**
Jet Blue	12.9%	0.0%	**12.9%**	13.9%	0.0%	**13.9%**
United Airlines	6.6%	4.3%	**10.9%**	6.7%	4.6%	**11.3%**
Spirit	5.6%	0.0%	**5.6%**	0.6%	0.0%	**0.6%**
Aer Lingus	1.2%	0.0%	**1.2%**	0.9%	0.0%	**0.9%**
Air Canada	0.0%	0.9%	**0.9%**	0.0%	0.9%	**0.9%**
Norwegian/One Jet/Charters	0.0%	0.1%	**0.4%**	0.0%	0.1%	**0.1%**
Total	**85.2%**	**14.8%**	**100.0%**	**83.5%**	**16.5%**	**100.0%**

The Authority has worked diligently with the air carriers to attract additional flights in order to increase passenger traffic. Management will continue to work with the airlines in order to support continued growth of passenger traffic. Bradley continues to offer fixed rent discounts for the lease of presently vacant terminal facilities, landing fee discounts and cooperative air service marketing assistance to new entrant and incumbent air carriers establishing new nonstop scheduled service to targeted domestic and international destinations. Fixed rent and landing fee discounts vary depending on the level of service offered. Marketing assistance available under the Air Service Incentive Program provides that Bradley will fund concept, development and placement of advertising in local and destination point media announcing and supporting ongoing use of the flights eligible under the promotion. The level of assistance available varies and is dependent upon the routes served.

Management at Bradley continuously monitors the airline industry, economic and regional market trends and the relevant potential impacts on Bradley traffic and financial performance with a view toward identifying and implementing appropriate response measures.

FINANCIAL HIGHLIGHTS - GENERAL AVIATION ENTERPRISE FUND

The General Aviation Airport Enterprise Fund consists of five general aviation airports located within the State of Connecticut (the State). They include Groton/New London Airport, Hartford/Brainard Airport, Waterbury/Oxford Airport, Danielson Airport and Windham Airport. These airports are owned, operated and managed by the Connecticut Airport Authority.

On July 1, 2013 these airports were legally transferred to the Connecticut Airport Authority from the Department of Transportation. Prior to the transition, the airports were owned and operated by the Department of Transportation and the accounting for these five airports were based on the modified cash basis of governmental accounting. With this transition the airports became an Enterprise Fund. The assets and liabilities were transferred at book value and the accounting for these airports was changed to an accrual basis of accounting with separate and distinct financial statements.

The balance sheet for the General Aviation Airports shows total assets including deferred outflow of resources for fiscal year 2018 to be $90,864, an increase of $11,308 or 14.2% from fiscal year 2017. Total assets are broken down by current assets of $18,245 and net capital assets of $69,075. The deferred outflow of resources represents the consumption of net assets by the State that is applicable to a future reporting period. For fiscal year 2018 the amount for deferred outflow of resources is $3,543 which represents the deferred pension and OPEB outflows. For fiscal year 2017 the amount for deferred outflow of resources was $3,718 (which only included the outflow for pension).

Total liabilities including deferred inflow of resources for fiscal year 2018 equal $32,102, reflecting an increase of $15,593 or 94.4% from fiscal year 2017. The increase in liabilities is mostly due to an increase in accrued liabilities and an increase in amounts due to affiliates along with adopting the OPEB liability of $11,632. The increase in the accrued liabilities is largely attributed to construction work in process for capital projects that are currently ongoing. The net pension liability along with the net OPEB is the only long term liability for the General Aviation Airports. The net pension liability also decreased from $12,586 in fiscal year 2017 to $ 11,802 in fiscal year 2018. The change in the deferred inflows for pensions decreased from fiscal year 2017 by $138, however the deferred amount for the OPEB is $332. Overall, the total net position for the General Aviation Airports is $58,762 compared to the restated net position of $ 51,446 in fiscal year 2017. Table 7 below shows the details for total net position.

TABLE 7
BALANCE SHEET - GENERAL AVIATION AIRPORTS
JUNE 30, 2018
(in thousands)

	2018	2017	2018 - 2017 Change ($)	2018 - 2017 Change (%)
ASSETS				
Current and other assets	$ 18,246	$ 10,967	$ 7,279	66.4%
Net capital assets	69,075	64,872	4,203	6.5%
TOTAL ASSETS	**$ 87,321**	**$ 75,839**	**$ 11,482**	**15.1%**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	$ 3,062	$ 3,718	$ (656)	-17.6%
Deferred OPEB Outflows	481	-	481	100.0%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 3,543**	**$ 3,718**	**$ (175)**	-4.7%
LIABILITIES				
Accounts Payable and Accrued Liabilities	$ 4,256	$ 2,033	$ 2,223	109.3%
Due to Affiliate/State/Muni	3,321	992	2,329	234.6%
Deferred Revenue and Other	190	191	(1)	-0.7%
Net Pension Liability	11,802	12,586	(784)	-6.2%
Net OPEB Liability	11,632	-	11,632	100.0%
TOTAL LIABILITIES	**$ 31,200**	**$ 15,802**	**$ 15,398**	**97.4%**
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount for Pensions	569.33	707	(138)	-19.5%
Deferred Amount for OPEB	332.47	-	332	100.0%
TOTAL DEFERRED INFLOWS OF RESOURCES	**902**	**$ 707**	**$ 194**	**27.5%**
NET POSITION				
Net Investments in Capital Assets	69,075	64,872	4,203	6.5%
Unrestricted	(10,313)	(1,825)	(8,489)	465.2%
TOTAL NET POSITION	**$ 58,762**	**$ 63,047**	**$ (4,285)**	**-6.8%**

Net Position

In FY 2108, the GA Fund began receiving Aviation Fuel Tax revenue from the State generated by a sales tax imposed by the State on aviation fuel sales. Pursuant to FAA regulations, aviation fuel tax revenues must be used to fund costs of airports. The new aviation fuel tax revenues stream replaced state subsidies received in prior years as a means of supplemental funding to the GA airports' own revenues. These aviation fuel tax revenues are passed to the GA Fund from the State quarterly based on actual amounts collected by the State. In FY 2018 the General Aviation Airports received $5,215 from the tax revenues. Changes in Net Position, Table 8, illustrates the various categories used to calculate the change in net position. Net position at the beginning of the year for the General Aviation Airports Enterprise Fund was $63,047 however due to the implementation of GASB 75 this amount was restated to $51,446. Net position at the end of fiscal 2018 is $58,762. Operating revenues for fiscal year 2018 totaled $3,076 which was a 13.5% increase from fiscal year 2017. Revenues consisted of airline revenue totaling $211 and non-airline revenue of $2,865. The majority of the non-airline revenue is attributable to land rent and other operating revenue (the majority of which comes from fixed based operators). Operating expenses before depreciation totaled $5,603 which is also an increase of 3.6%, over fiscal year 2017. Operating expenses include salaries and related expenses, administrative and general, repairs and maintenance, and energy and utilities. Depreciation expense for fiscal year 2018 is $3,524, which is 7.4% lower than fiscal year 2017. The net non-operating revenue for fiscal year 2018 is $4,284, which is slightly higher than fiscal year 2017 by 6.1%. The non-operating revenue includes the aviation fuel tax receipts of $5,215 and investment income of $106 offset by non-operating expenses of $1,420 which is predominately made up of various capital projects that were

expensed. In addition, similar to Bradley, the General Aviation Airports recorded a $266 actuarial pension gain in fiscal year 2018 compared to a $464 actuarial pension gain in fiscal year 2017. For OPEB, the actuarial gain was $117. Fiscal year 2018 income (loss) before capital contributions equaled ($1,767) compared to ($2,464) in fiscal year 2017. Capital contributions are $9,082 which is largely funding from the FAA for capital infrastructure at each of the General Aviation Airports. Table 8 below shows the change in net position.

TABLE 8
CHANGES IN NET POSITION - GENERAL AVIATION AIRPORTS
FOR THE YEAR ENDED JUNE 30, 2018
(In Thousands)

	2018	2017	2018 - 2017 Change ($)	2018 - 2017 Change (%)
OPERATING REVENUES				
Landing Fees	$ 37	$ 38	(1)	-1.9%
Airline Terminal Rent	11	11	-	0.0%
Aircraft Parking	162	186	(24)	-12.7%
Rental Cars	162	166	(4)	-2.3%
Terminal Concessions	11	3	8	267.6%
Land Rent	1,655	1,218	437	35.9%
Other Operating Revenue	1,037	1,088	(52)	-4.7%
TOTAL OPERATING REVENUES	3,076	2,710	366	13.5%
OPERATING EXPENSES				
Salaries and Related Expenses	4,149	4,039	110	2.7%
Administrative and General	371	403	(32)	-8.0%
Repairs and Maintenance	728	693	35	5.1%
Energy and utilities	265	268	(3)	-1.0%
Equipment	90	5	85	1706.7%
OPER EXPENSES BEFORE DEPRECIATION	5,603	5,407	196	3.6%
OPER LOSS BEFORE DEPRECIATION	(2,527)	(2,697)	170	-6.3%
Depreciation and Amortization	3,524	3,805	(281)	-7.4%
OPERATING (LOSS)	(6,051)	(6,502)	451	-6.9%
NON OPERATING REVENUES (EXPENSES)				
Investment income	106	53	53	101.0%
Other Non operating expenses	(1,420)	(645)	(775)	120.1%
State Operating Subsidy	-	4,166	(4,166)	-100.0%
Aviation Fuel Tax Revenue	5,215	-	5,215	100.0%
Actuarial Pension Gain	266	464	(198)	-42.7%
Actuarial OPEB Gain	117	-	117	100.0%
NET NON OPERATING REVENUES (EXPENSE)	4,284	4,038	246	6.1%
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(1,767)	(2,464)	697	-28.3%
CAPITAL CONTRIBUTIONS	9,082	2,721	6,362	233.8%
Change in Net Position	7,316	257	7,059	2748.6%
Net Position, Beginning of year, as previously reported	63,047	62,791		
Cumulative Effect of Change in Accounting (Note 15)	(11,601)	-		
Total Net Position, Beginning of Year (as restated)	51,446	62,791	(11,344)	-18.1%
Total Net Position, End of Year	$ 58,762	$ 63,047	$ (4,285)	-6.8%

Revenues

Revenues generated at the general aviation airports include several different sources. There are some that utilize rates outlined within State regulations such as aircraft parking fees and aircraft landing fees while others are based upon negotiated lease terms within tenant operating agreements. Tenant operating agreements can include revenues derived from straight parcel rents as well as from various percentages paid on gross receipts reported for assorted services they provide. The largest share of revenues for the General Aviation Airport Enterprise Fund is derived from land and building rent followed by other operating revenue.

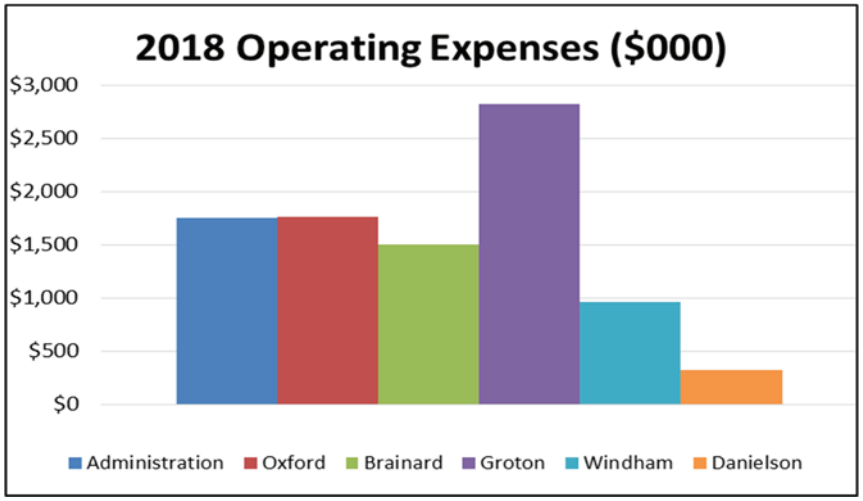
Operating Expenses

Operating expenses in fiscal year 2018 totaled $9,127, which includes salaries and related expenses, security, administrative & general, repairs & maintenance, energy & utilities along with equipment and depreciation. The distribution of operating expenses for fiscal year 2018 is shown on Table 9.

As indicated earlier, the General Aviation Airports Enterprise Fund receives proceeds from the Aviation Fuel tax revenue to support operating expenses and the capital improvement needs of the airports. For fiscal year 2018, the GA Fund received $5,215 from the State of Connecticut to partially fund operating and capital expenses for all five general aviation airports and the general aviation administration. Operating expenses before depreciation equaled $5,603, which exceeded the tax revenue received. It is the intention of the Authority to work toward making the General Aviation airports self-sufficient so that the Enterprise Fund can support operations by its own funding. Table 9 below details the fiscal year 2018 operating expenses by airport by category.

TABLE 9
OPERATING EXPENSES - GENERAL AVIATION AIRPORTS
FOR THE YEAR ENDED JUNE 30, 2018
(In thousands)

Salaries & Related	Total 2018	GA Airport Administration	Oxford	Brainard	Groton	Windham	Danielson
Salaries	$ 1,902	$ 873	$ 229	$ 321	$ 395	$ 43	$ 41
Overtime	301	-	86	85	123	3	3
Other Payroll	68	32	13	15	8	0	0
Fringe Benefit	1,878	705	277	373	448	38	36
Salaries & Related	**4,149**	**1,609**	**605**	**794**	**974**	**85**	**80**
Other Expense							
Security	41	-	10	5	12	7	7
Administrative Costs	329	40	62	65	126	23	14
Repairs and Maintenance	728	-	89	92	282	170	96
Utilities	265	2	55	66	116	16	10
Equip/Operating Exp. Misc.	91	91	-	-	-	-	-
Other Expense	**1,454**	**133**	**216**	**227**	**536**	**215**	**127**
Expenses Before Depreciation	**5,603**	**1,742**	**822**	**1,022**	**1,511**	**300**	**207**
Depreciation & Amortization	3,524	8	945	484	1,315	658	115
Total Operating Expenses	**$ 9,127**	**$ 1,750**	**$ 1,766**	**$ 1,506**	**$ 2,825**	**$ 958**	**$ 322**



BUDGET TO ACTUAL PERFORMANCE

The fiscal year 2018 budget was presented and approved by the Board of Directors as per the State Statute Title 15 Chapter 267B. However, as explained earlier the funding for the General Aviation Airports is based on the actual tax revenue received from the aviation fuel tax. The amount of the aviation fuel tax revenue was less than was reflected in the Board approved budget. The Fund's management continues to work diligently to manage costs within the confines of its anticipated funding sources. Table 10 compares budget to actual for the general aviation airports using the Board-approved budget.

TABLE 10
COMPARISON OF BUDGET TO ACTUAL - GENERAL AVIATION AIRPORTS
FOR THE YEAR ENDED JUNE 30, 2018
in thousands

	BUDGET	ACTUAL	VARIANCE
OPERATING REVENUE			
Landing Fees	$ 38	$ 37	$ (1)
Terminal Rent - Airline	11	11	-
Aircraft Parking	183	162	(21)
Rental Cars	174	162	(12)
Terminal Concessions	2	11	9
Land & Building Rent	1,383	1,655	272
Other Operating Revenue	880	1,037	157
TOTAL OPERATING REVENUES	**$ 2,672**	**$ 3,076**	**$ 404**
OPERATING EXPENSES			
Salaries & Wages	$ 2,324	$ 1,902	$ (421)
Overtime	345	301	(44)
Other Payroll	48	68	20
Fringe Benefits	2,352	1,878	(475)
Total Personnel Costs	5,070	4,149	(921)
Security Services	53	41	(11)
Administrative Costs	596	329	(266)
Repairs & Maintenance	823	728	(94)
Utilities	296	265	(31)
Equipment	184	91	(93)
Total Other Expenses	1,950	1,454	(496)
TOTAL OPERATING EXPENSES	**$ 7,020**	**$ 5,603**	**$ (1,417)**

The GA Fund continues to evaluate options to help reduce dependence on outside funding sources, yet continue to operate the airports safely and maintain them in the same good condition in which they were transferred and their users have grown accustomed. Cash reserves are invested into the State of Connecticut Short Term Investment Fund in order to build a sufficient working capital balance for the General Aviation Airports Enterprise Fund. Expenses are closely monitored, and the GA Fund is actively exploring new avenues of increasing revenue in an effort to ultimately fund its own operations.

REQUESTS FOR INFORMATION

This management's discussion and analysis and the following financial statements are designed to be in conformance with generally accepted accounting principles (GAAP) for governmental units as promulgated by the Governmental Accounting Standards Board (GASB). We believe that this report presents fairly the financial position of the airports and the results of its operations for the fiscal year ended June 30, 2018. The report is consistent with full disclosure so that the reader may gain a solid understanding of the Funds' financial affairs.

This report was prepared in its entirety by the management of the Funds, and we take full responsibility for the accuracy of the data and the completeness and fairness of the presentation.

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Fund Statement of Net Position

June 30, 2018

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Assets		
Current assets:		
Cash	$ 4,473,013	$ 529,038
Short-term investments	90,852,283	7,482,649
Current portion of restricted investments	3,330,595	-
Accounts receivable	7,243,262	3,105,122
Due from the State	2,272,270	698,095
Grants receivable	731,153	6,344,321
Prepaid expenses and other assets	28,917	86,744
Total current assets	108,931,493	18,245,969
Noncurrent assets:		
Restricted assets:		
Cash	461	-
Investments	126,471,620	-
Accounts receivable	2,977,749	-
Interest receivable	174,924	-
Capital assets:		
Assets not subject to depreciation	26,565,559	39,374,142
Assets subject to depreciation - Net	230,090,519	29,701,154
Total noncurrent assets	386,280,832	69,075,296
Total assets	495,212,325	87,321,265
Deferred Outflows of Resources		
Interest rate swaps	10,999,429	-
Deferred loss on bond refunding	1,629,896	-
Deferred pension costs	15,742,160	3,062,149
Deferred OPEB costs	2,432,945	480,965
Total deferred outflows of resources	30,804,430	3,543,114
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	15,384,183	4,255,660
Unearned revenue and other	5,611,185	189,795
Due to the State	-	3,320,972
Payables from restricted assets:		
Current portion of revenue bonds payable	7,225,000	-
Revenue bond interest payable	1,074,179	-
Total current liabilities	29,294,547	7,766,427
Noncurrent liabilities:		
Net pension liability	57,990,740	11,802,030
Net OPEB liability	58,839,962	11,631,972
Revenue bonds payable - Net of current portion	102,105,000	-
Interest rate swap	10,999,429	-
Total noncurrent liabilities	229,935,131	23,434,002
Total liabilities	259,229,678	31,200,429
Deferred Inflows of Resources		
Deferred pension cost reductions	2,861,264	569,330
Deferred OPEB cost reductions	1,681,795	332,471
Total deferred inflows of resources	4,543,059	901,801
Net Position		
Net investment in capital assets	148,955,974	69,075,296
Restricted:		
Capital Projects	124,329,702	-
Debt Service	6,520,911	-
Bond Indenture Requirements	2,104,736	-
Unrestricted	(19,667,305)	(10,313,147)
Total net position	**$ 262,244,018**	**$ 58,762,149**

See notes to financial statements.

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Fund Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2018

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Operating Revenue		
Airline revenue:		
Landing fees	$ 18,133,002	$ 37,408
Airline terminal rent	10,896,625	10,920
Apron and remote aircraft parking	4,354,396	162,485
Total airline revenue	33,384,023	210,813
Nonairline revenue:		
Rental cars	8,500,566	162,331
Terminal concessions	4,761,601	11,235
Land rent	5,081,420	1,654,912
Other concessions	4,811,206	-
Other operating revenue	2,831,896	1,036,801
Auto parking	11,630,736	-
Total nonairline revenue	37,617,425	2,865,279
Total operating revenue	71,001,448	3,076,092
Operating Expenses		
Salaries and related expense	21,869,384	4,148,762
Administrative and general	20,477,436	370,522
Repairs and maintenance	7,117,796	818,769
Energy and utilities	4,860,588	264,944
Depreciation and amortization	17,679,926	3,523,743
Total operating expenses	72,005,130	9,126,740
Operating Loss	(1,003,682)	(6,050,648)
Nonoperating Revenue (Expense)		
Passenger facility charge revenue	14,196,631	-
Car rental facility charge revenue	11,355,891	-
Investment income	1,476,258	106,142
Aviation fuel tax revenue	-	5,214,602
Other nonoperating expenses	(2,483,803)	(1,420,193)
Bond interest expense	(4,347,945)	-
Airline revenue share expense	(2,076,502)	-
Noncash pension and OPEB actuarial assumption adjustments	1,939,603	383,438
Total nonoperating revenue	20,060,133	4,283,989
Income (Loss) - Before capital contributions	19,056,451	(1,766,659)
Capital Contributions	716,964	9,082,376
Change in Net Position	19,773,415	7,315,717
Net Position - Beginning of year, as previously reported	301,153,013	63,047,258
Cumulative Effect of Change in Accounting	(58,682,410)	(11,600,826)
Net Position - Beginning of year, as adjusted	242,470,603	51,446,432
Net Position - End of year	**$ 262,244,018**	**$ 58,762,149**

See notes to financial statements.

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Fund Statement of Cash Flows

Year Ended June 30, 2018

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Cash Flows from Operating Activities		
Receipts from customers	$ 71,001,448	$ 3,076,092
Payments to suppliers	(24,612,609)	(4,319,371)
Payments to employees and fringes	(21,869,384)	(4,148,762)
Net cash provided by (used in) operating activities	24,519,455	(5,392,041)
Cash Flows from Capital and Related Financing Activities		
Receipt of capital grants	716,964	9,082,376
Purchase of capital assets	(19,949,085)	(7,727,013)
Principal and interest paid on capital debt	(11,406,309)	-
Car rental facility charge receipts	11,355,891	-
Passenger facility charge receipts	14,196,631	-
Other nonoperating expenses	(2,483,803)	3,794,409
Airline revenue share expense	(2,076,502)	-
Net cash (used in) provided by capital and related financing activities	(9,646,213)	5,149,772
Cash Flows from Investing Activities		
Interest received on investments	1,385,074	106,142
Purchases of investment securities	(23,681,377)	(679,184)
Net cash used in investing activities	(22,296,303)	(573,042)
Net Decrease in Cash	(7,423,061)	(815,311)
Cash - Beginning of year	11,896,535	1,344,349
Cash - End of year	**$ 4,473,474**	**$ 529,038**
Classification of Cash		
Cash and investments	$ 4,473,013	$ 529,038
Restricted cash	461	-
Total cash	**$ 4,473,474**	**$ 529,038**
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (1,003,682)	$ (6,050,648)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	17,679,926	3,523,743
Changes in assets and liabilities:		
Receivables	6,423,187	(7,328,461)
Prepaid and other assets	(28,917)	(86,744)
Accounts payable and accrued liabilities	1,952,312	4,551,327
Unearned revenue	(503,371)	(1,258)
Total adjustments	25,523,137	658,607
Net cash provided by (used in) operating activities	**$ 24,519,455**	**$ (5,392,041)**

See notes to financial statements.

Note 1 - Significant Accounting Policies

Nature of Business

The Bradley International Airport Enterprise Fund (BDL) and General Aviation Airports Enterprise Fund (GA) (collectively, the "Funds") are two of the funds included in the Connecticut Airport Authority (CAA). CAA was established by the State of Connecticut (the "State") effective July 1, 2011 to operate Bradley International Airport, as well as the other State-owned (general aviation) airports. CAA is a component unit of the State of Connecticut.

Pursuant to Connecticut General Statute Title 15 Chapter 267B, effective July 1, 2013, the assets and liabilities of the Bradley International Airport Enterprise Fund as well as the general aviation airports were transferred from the Department of Transportation (ConnDOT) to CAA. BDL was previously accounted for in a separate enterprise fund of ConnDOT, while GA was accounted for in governmental funds of ConnDOT. The act requires establishment of the following funds within CAA:

BDL - To account for the operations of Bradley International Airport.

GA - To account for the operations of the following general aviation airports: Oxford Airport, Brainard Airport, Groton/New London Airport, Danielson Airport, and Windham Airport.

CAA additionally holds a fund that includes the parking garage and surface parking lots located at Bradley International Airport.

Under the operating agreement, the surface parking lots, parking garage, and related bonds are required to be reported in a separate fund and independently audited. The Bradley Parking fund and the overall activity of CAA are not included in these financial statements.

The financial statements present only each fund and do not purport to, and do not, present the financial position of the Connecticut Airport Authority as of June 30, 2018 or the changes in its financial position or cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Accounting and Reporting Principles

The accompanying financial statements of the Funds have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). Following is a summary of significant accounting policies of the Funds:

Basis of Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Funds distinguish between operating and nonoperating revenue and expenses. Operating revenue and expenses generally result from providing services in connection with operating airports and related transportation modes. The principal operating revenue of the Funds is charges to airlines, facilities tenants, passengers, and others for fees, rent, and services. Operating expenses include the cost of operating airports and related facilities, administrative expenses, and depreciation and amortization expense on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. The major components of the nonoperating revenue sources are interest income from cash and investments, passenger facility charges, car rental facility charges, and aviation fuel tax revenue (for GA only). The major components of nonoperating expense are expenditures for the interest expense and other nonoperating expenses.

Note 1 - Significant Accounting Policies (Continued)

Revenue

Revenue recognition policies are as follows:

- Landing Fees - Landing fees are principally generated from scheduled airlines, cargo carriers, and nonscheduled commercial aviation and are based on the landed weight of the aircraft. The estimated landing fee structure for Bradley International Airport is determined annually pursuant to an agreement between the airport and the signatory airlines based on the operating budget of the airport. Landing fees are recognized as revenue as landings occur.
- Terminal Rents and Concessions - Rental and concession fees are generated from airlines, food and beverage, retail, rental cars, hotel, advertising, and other commercial tenants. Leases are for various terms and generally require rentals based on the space occupied and/or the volume of business, with specific minimum annual rental payments often required. Rental revenue is recognized over the term of the respective leases, and concession revenue is recognized based on reported concessionaire revenue.
- Auto Parking - Auto parking fees are generated by Bradley International Airport from an agreement with a vendor to operate the airport's parking. Revenue is recognized based on a guaranteed fixed annual minimum amount per the agreement plus provisional profit sharing.
- Passenger Facility Charges - Passenger facility charge revenue is recognized when the fee is collected by the airline from the passenger.
- Car Rental Facility Charges - Car rental facility charge revenue is recognized when the fee is collected by the rental car companies from the rental car customer.
- Other - All other types of revenue are recognized when earned.

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program of the Federal Aviation Administration (FAA), with certain matching funds provided by the Funds. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisitions, facility development and rehabilitation, and eligible long-term planning studies are reported in the statement of revenue, expenses, and changes in net position after nonoperating revenue (expenses) as capital contributions.

Investments

The Funds present all investments at fair value except for external investment pools, which are reported at net asset value. See Note 3 for further discussion of fair values.

Accounts Receivable

Receivables are reported at the original amount billed, less an estimate made for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience, aviation industry trends, and current information regarding the creditworthiness of the debtors. Receivables from state and federal agencies are reported based on reimbursable capital expenditures.

Note 1 - Significant Accounting Policies (Continued)

Restricted Assets

Restricted assets consist of monies and other resources whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like or through restrictions imposed by law through constitutional provisions or enabling legislation. The distinction between current and noncurrent cash and investments is that noncurrent cash and investments are restricted for long-term debt service and capital expenditures. These restrictions are described below:

- Restricted for debt service - These assets are restricted by the Master Bond Indenture dated March 1, 2001 for the retirement of the revenue bonds, series 2011A and 2011B.
- Restricted for passenger facility - These assets represent Passenger Facility Charge (PFC) collections based on an approved FAA application to impose such charges on enplaned passengers at BDL and are restricted for designated capital projects.
- Restricted for car rental facility - These assets represent Customer Facility Charge (CFC) (rental cars) collections based on a board-approved resolution to impose such charges on customers of the rental car concessionaires and are restricted for designated capital projects.

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure assets (runways, taxiways, and aprons), are stated at cost, which includes applicable capitalized interest and expenditures of the Federal Aviation Administration and state contributions in support of construction. The Funds define capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

Maintenance and repairs that do not add to the value of the asset or materially extend its life are charged to expense as incurred, while significant renewals and betterments are capitalized.

Depreciation is computed on a straight-line basis. The estimated useful lives of the major property, equipment, and infrastructure classifications are as follows: land improvements, 20 to 50 years; buildings and improvements, 10 to 40 years; and machinery and equipment, 3 to 15 years. Depreciation expense relating to both purchased and contributed assets is charged against operations.

Unearned Revenue

Unearned revenue of the Funds represents overpayments and advance payments by concessionaires and other renters.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position also report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense) until then. The Funds' deferred outflows include the fair value of interest rate swaps, a deferred charge on the refunding of bonds, and deferred amounts for pensions. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note 10 for details on deferred amounts for pensions.

Note 1 - Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position also reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and, therefore, will not be recognized as an inflow of resources until that time. The Funds report a deferred inflow of resources related to deferred amounts for pensions. This amount is deferred and will be included as a reduction of pension expense ratably over the next five years. See Note 10 for details on deferred amounts for pensions.

Long-term Obligations

Long-term debt and other noncurrent obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred. The BDL fund is generally used to liquidate long-term debt.

Interest Rate Swap

BDL's interest rate swap agreements have been determined to be effective hedges for accounting purposes. Accordingly, the fair value of the hedges and changes therein are recognized as deferred inflows or outflows under interest rate swaps on the statement of net position.

Compensated Absences

Employees of the Funds are considered state employees for the purpose of employee benefits. Unclassified employees can accumulate up to a maximum of 120 days of vacation time. Union employees can accumulate up to 60 days of vacation time. Upon termination or death, the employee is entitled to be paid for the full amount of vacation time accrued.

In addition to vacation time, all employees accumulate time for sick pay. There is no limit placed on the number of sick days that an employee can accumulate. Sick pay leave is only paid out upon retirement or, after 10 years of service, upon death. In addition, sick pay leave is paid out at 25 percent of the accrued amount up to a maximum of 60 days. This is true for both unclassified and union employees.

All vacation and sick pay that would be payable assuming termination at year end is accrued on the statement of net position. The related liability is based upon current compensation levels. BDL and GA are generally used to liquidate compensated absences.

Net Pension Liability

Eligible employees of the Funds participate in the State Employees Retirement System (SERS). The Funds' contributions are based on a percentage of eligible compensation. The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan’s fiduciary net position. The pension plan’s fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer’s prior fiscal year, consistently applied from period to period. BDL and GA are generally used to liquidate the net pension liability.

Allocation of Expenses

The financial statements include certain allocations of expenses incurred jointly by the Funds and the State. Fringe benefits costs, which are incurred at the state level, are charged to the airports based on each employee’s actual benefit costs. Total fringe benefit charges to the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund were $10,399,561 and $1,877,714, respectively, for the year ended June 30, 2018.

Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncement

As of June 30, 2018, the Funds adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Funds to recognize on the face of the financial statements their proportionate share of the net OPEB liability related to their participation. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). See Note 15 for details on the restatement.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Funds are currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Funds' financial statements for the year ending June 30, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period,* which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the Funds' financial statements for the June 30, 2021 fiscal year.

Note 2 - Cash and Investments

Deposits and investments are reported in the financial statements as follows:

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Cash	$ 4,473,474	$ 529,038
State Treasurer's Short-term Investment Fund	220,654,498	7,482,649
Total cash and investments	$ 225,127,972	$ 8,011,687

Note 2 - Cash and Investments (Continued)

The Funds' cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Funds' deposits may not be returned to them. The Funds do not have a deposit policy for custodial credit risk. At year end, the Funds had $6,078,749 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. However, all bank deposits were in qualified public institutions as defined by state statute. Under this statute, any bank holding public deposits must, at all times, maintain, segregated from its other assets, eligible collateral in an amount equal to at least a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposit is determined based on either the public deposits reported on the most recent quarterly call report or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. CAA management believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, CAA management evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Funds will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. The Funds do not have a policy for custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. Because the Funds' investments are composed of the State Treasurer's Short-Term Investment Fund which is a 2a-7 like pool, there is no interest rate risk at June 30, 2018.

Credit Risk

Connecticut General Statutes authorize the Funds to invest in obligations of the U.S. Treasury, including its agencies and instrumentalities, commercial paper, bankers' acceptance, repurchase agreements, and the State Treasurer's Short-Term Investment Fund. The State Treasurer's Short-Term Investment Fund's rating by Standard & Poor's is AAAm. The Funds have no investment policy that would further limit their investment choices.

Investment	Carrying Value	Rating	Rating Organization
State Treasurer's Short-term investment fund - BDL	$ 220,654,498	AAAm	S&P
State Treasurer's Short-term investment fund - GA	7,482,649	AAAm	S&P
Total	$ 228,137,147		

Concentration of Credit Risk

The Funds' investment policy does not limit the investment in any one investment vehicle. The State Treasurer's Short-Term Investment Fund is a 2a-7 like pooled investment that is not subject to this disclosure.

Note 3 - Fair Value Measurements

The Funds categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the liabilities. Level 1 inputs are quoted prices in active markets for identical liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (NAV) or its equivalent as a practical expedient are not classified in the fair value hierarchy.

In instances whereby inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Funds' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each liability.

The Funds have the following recurring fair value measurements as of June 30, 2018:

- The interest rate swaps liability of $10,999,429 was determined using a "mid-market" price generated by the counterparty's proprietary valuation model, which is based on certain assumptions regarding present and future market conditions or other factors from other sources of pricing information. These valuation inputs are considered be Level 3 inputs.

Note 4 - Restricted Assets

Car Rental Facility Charges

Car rental facility charges, as required by agreement, are restricted for expenditures for a car rental facility at Bradley International Airport. Restricted assets are composed of the following as of June 30, 2018:

Car rental facility charges receivable	$	1,064,622
Interest receivable		67,811
Investments		44,218,705
Total	$	45,351,138

Passenger Facility Charges

Passenger facility charges, as required by federal regulations, are restricted for expenditure for federally approved Bradley International Airport improvement projects or debt service of Bradley International Airport. Restricted assets are composed of the following as of June 30, 2018:

Cash	$	461
Passenger facility charges receivable		1,913,127
Interest receivable		102,377
Investments		66,361,301
Total	$	68,377,266

Note 4 - Restricted Assets (Continued)

Bond Indenture

Assets are restricted for debt service, as required under the Bond Indenture. Restricted assets are composed of the following as of June 30, 2018:

Investments	$ 19,222,209
Interest receivable	4,736
Total restricted debt service investments	19,226,945
Less current portion of restricted investments	(3,330,595)
Noncurrent restricted debt service investments	$ 15,896,350

Note 5 - Capital Assets

Capital asset activity of the Funds' activities was as follows:

	Balance July 1, 2017	Transfers	Additions	Disposals and Reclassifications	Balance June 30, 2018
Bradley International Airport Enterprise Fund					
Capital assets not being depreciated:					
Land	$ 2,657,154	$ -	$ -	$ -	$ 2,657,154
Construction in progress	14,503,088	-	20,039,084	(10,633,767)	23,908,405
Subtotal	17,160,242	-	20,039,084	(10,633,767)	26,565,559
Capital assets being depreciated:					
Buildings and improvements	280,990,303	-	235,804	(51,585)	281,174,522
Machinery and equipment	35,179,666	(495,748)	3,193,167	(1,046,553)	36,830,532
Land improvements	236,893,389	-	7,322,871	(5,662,489)	238,553,771
Subtotal	553,063,358	(495,748)	10,751,842	(6,760,627)	556,558,825
Accumulated depreciation:					
Buildings and improvements	112,316,686	-	8,082,890	(27,281)	120,372,295
Machinery and equipment	30,044,409	(495,748)	2,126,945	(1,042,392)	30,633,214
Land improvements	173,778,572	-	7,470,091	(5,785,866)	175,462,797
Subtotal	316,139,667	(495,748)	17,679,926	(6,855,539)	326,468,306
Net capital assets being depreciated	236,923,691	-	(6,928,084)	94,912	230,090,519
Net Bradley International Airport Enterprise Fund capital assets	$ 254,083,933	$ -	$ 13,111,000	$ (10,538,855)	$ 256,656,078

Note 5 - Capital Assets (Continued)

	Balance July 1, 2017	Transfers	Additions	Disposals and Reclassifications	Balance June 30, 2018
General Aviation Airports Enterprise Fund					
Capital assets not being depreciated:					
Land	$ 29,527,401	$ -	$ 156,581	$ (22,228)	$ 29,661,754
Construction in progress	2,487,034	-	7,672,098	(446,744)	9,712,388
Subtotal	32,014,435	-	7,828,679	(468,972)	39,374,142
Capital assets being depreciated:					
Buildings and improvements	15,778,759	-	85,757	(840)	15,863,676
Machinery and equipment	8,378,164	495,748	275,860	(25,218)	9,124,554
Land improvements	82,549,922	-	24,213	(202,880)	82,371,255
Subtotal	106,706,845	495,748	385,830	(228,938)	107,359,485
Accumulated depreciation:					
Buildings and improvements	9,452,131	-	480,228	(484)	9,931,875
Machinery and equipment	7,449,067	495,748	223,505	(25,218)	8,143,102
Land improvements	56,948,056	-	2,820,010	(184,712)	59,583,354
Subtotal	73,849,254	495,748	3,523,743	(210,414)	77,658,331
Net capital assets being depreciated	32,857,591	-	(3,137,913)	(18,524)	29,701,154
Net General Aviation Airports Enterprise Fund capital assets	$ 64,872,026	$ -	$ 4,690,766	$ (487,496)	$ 69,075,296

Note 6 - Long-term Debt

Long-term debt activity for the year ended June 30, 2018 can be summarized as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
BDL - Revenue bonds payable:					
Series 2011A	$ 69,775,000	$ -	$ (4,175,000)	$ 65,600,000	$ 4,335,000
Series 2011B	46,515,000	-	(2,785,000)	43,730,000	2,890,000

The Funds have deferred outflows of $1,629,896 related to deferred charges on bond refundings at June 30, 2018.

Series 2011A and 2011B

On March 31, 2011, Bradley International Airport Revenue Refunding Bonds Series 2011A and 2011B were issued in the amount of $91,430,000 and $60,950,000, respectively, to retire $161,445,000 of outstanding 2001A bonds. The aggregate principal and interest payments of the Series 2011A and 2011B bonds total $228,421,866, replacing the aggregate principal and interest payments of $258,238,749 on the refunded bonds, generating an economic gain of $7,569,810. The transaction resulted in a deferred accounting loss of $30,753, which BDL is amortizing over the life of the refunded debt.

As of June 30, 2018, the outstanding principal balances on the Series 2011A and 2011B bonds were $65,600,000 and $43,730,000, respectively. On the Series 2011A, interest is charged at a variable rate equal to 80 percent of the one-month LIBOR plus 57 basis points. On the Series 2011B, interest is charged at a variable rate equal to 67 percent of the one-month LIBOR plus 87 basis points.

Note 6 - Long-term Debt (Continued)

The 2011 bonds are secured by and payable solely from the gross operating revenue generated by BDL from the operation of Bradley International Airport and other receipts, funds, or monies pledged in the bond indenture, including a portion of Bradley International Airport's passenger facility charges revenue. During the current year, net revenue of BDL was $37,475,142, compared to the annual debt requirement of $11,515,614.

Debt Service Requirements to Maturity

A debt service account has been established in accordance with the various bond indentures to provide for payment of principal at maturity and semiannual interest payments due on April 1 and October 1 of each year. The annual principal payments and interest on the variable-rate Airport Revenue Refunding Bonds Series 2011 are disclosed in Note 7, along with the net receipt or payment arising from BDL's interest rate swaps.

Bond covenants require that certain accounts be established and maintained in the custody of the trustee into which bond proceeds, operating revenue, and investment earnings are deposited. The disbursement of funds from these accounts for the cost of facilities and debt service is provided for in the various indentures. Amounts on deposit at June 30, 2018 are recognized as restricted assets in the accompanying statement of net position.

Note 7 - Interest Rate Swaps

Objective

As a means to lock in its future borrowing costs, two forward starting interest rate swaps were entered into in 2006. The swaps effectively changed BDL's interest rate on the 2011 Series bonds from a variable interest rate to a synthetic fixed rate. The interest rate swaps are considered to be effective cash flow hedges for accounting purposes.

Terms

The notional amount of the swaps matches the principal amounts of the associated debt. The swap agreements contain scheduled reductions to outstanding notional amounts that are expected to follow anticipated reductions to the associated bond issue's outstanding balance. Under the swaps, BDL pays the counterparty a fixed interest rate payment and receives a variable interest rate payment based on the three-month LIBOR. Only the net difference in interest payments will be actually exchanged between the parties. No cash was received or paid when the swap transactions were initiated.

Credit Risk

As of June 30, 2018, the Funds had no exposure to credit risk on either of the swap, as both had negative fair values. The credit ratings of the swap counterparties are indicated below. Both swaps contain collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swap in cash or government securities should either of the counterparties' credit ratings fall below A3, as issued by Moody's Investor Service, or A-, as issued by Standard & Poor's or Fitch Ratings. No collateral was required to be posted for either of the swaps as of June 30, 2018. BDL is not required to post collateral for either of the swaps.

Basis Risk

BDL variable-rate bond interest payments are reset weekly using a formula based on one-month LIBOR. BDL receives a variable rate payment from the swap counterparties that are reset weekly using a formula based on the three-month LIBOR. The fund is exposed to basis risk since both amounts are not calculated using the same formula.

Note 7 - Interest Rate Swaps (Continued)

Termination Risk

BDL or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If either of the swaps is terminated, the associated variable-rate bonds would no longer carry synthetic fixed interest rates. If at the time of the termination the swap has a negative fair value, BDL would be liable to the counterparty for a payment approximately equal to the swap's fair value. Under both swap agreements, BDL has up to 270 days to fund any required termination payment.

The following is a summary of terms of the interest rate swaps held on June 30, 2018 by the Funds:

Counterparty	Goldman Sachs Capital Markets, L.P.	Bank of America, N.A.
Bond issue	2011A	2011B
Original notional amount	$91,430,000	$60,950,000
Face value of related bonds	$91,430,000	$60,950,000
Total outstanding amount	$65,600,000	$43,730,000
Effective date	April 1, 2011	April 1, 2011
Maturity date	October 1, 2031	October 1, 2031
Fixed rate paid	3.693%	3.683%
Variable rate received	60 percent of three-month USD LIBOR plus 40 basis points	60 percent of three-month USDLIBOR plus 40 basis points
Variable interest rate in effect under swap as of June 30, 2018	1.801%	1.801%
Variable interest rate in effect on related bonds as of June 30, 2018	2.245%	1.986%
Credit rating of counterparty:		
Moody's Investors Service	A1	Aa3
Standard & Poor's	A+	A+
Fitch Ratings	A+	AA-

The following is a summary of the changes in fair value of the interest rate swaps for the year ended June 30, 2018, which are accounted for as changes in deferred outflows reported in the statement of net position:

	Goldman Sachs	Bank of America	Total
Fair value as of July 1, 2017	$ (9,775,755)	$ (6,488,843)	$ (16,264,598)
Change in fair value	3,155,509	2,109,660	5,265,169
Fair value as of June 30, 2018	$ (6,620,246)	$ (4,379,183)	$ (10,999,429)

Interest Rate Swap Payments and Hedged Debt

Aggregate debt service requirements of the Funds' variable-rate bonds and net receipt/payments on the associated interest rate swap agreements as of June 30, 2018 are presented below. These amounts assume that current rates on variable-rate bonds and the current reference rates on the swaps will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and the net receipts/payments on the interest rate swaps will also vary.

Note 7 - Interest Rate Swaps (Continued)

Fiscal Year Ending June 30	Variable-rate Bond Principal	Variable-rate Bond Interest	Interest Rate Swaps, Net	Total
2019	$ 7,225,000	$ 2,224,847	$ 1,962,231	$ 11,412,078
2020	7,510,000	2,065,578	1,821,760	11,397,338
2021	7,815,000	1,899,882	1,675,624	11,390,506
2022	8,130,000	1,727,493	1,523,586	11,381,079
2023	6,555,000	1,578,708	1,392,367	9,526,075
2024-2028	36,905,000	5,606,666	4,944,913	47,456,579
2029-2032	35,190,000	1,355,570	1,195,575	37,741,145
Total	$ 109,330,000	$ 16,458,744	$ 14,516,056	$ 140,304,800

Note 8 - Accounts Payable and Accrued Liabilities

The following is the detail of accounts payable and accrued liabilities as of June 30, 2018:

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Accrued operating expenses	$ 6,747,550	$ 153,598
Accounts payable - Projects	4,360,188	3,046,615
Accrued payroll and compensated absences	4,276,445	1,055,447
Total	$ 15,384,183	$ 4,255,660

Note 9 - Leases

Substantial amounts of real property are leased to various airlines and other tenants. The leases consist of month-to-month, cancelable space and use permits, and noncancelable operating leases for land, buildings, and terminal space. The leases expire over the next 40 years. Future minimum rental income is estimated using minimum guarantee payments outlined in the leases.

Bradley International Airport Enterprise Fund

The future minimum rental income on noncancelable operating leases is as follows:

Fiscal Years Ending	Amount
2019	$ 41,574,066
2020	41,401,305
2021	27,641,172
2022	26,402,763
2023	18,039,871
Total	$ 155,059,177

Note 9 - Leases (Continued)

General Aviation Airports Enterprise Fund

The future minimum rental income on noncancelable operating leases is as follows:

Fiscal Years Ending	Amount
2019	$ 1,061,856
2020	1,128,054
2021	1,104,781
2022	1,086,355
2023	1,065,572
Total	$ 5,446,618

Note 10 - Pension Plan

Plan Description

Eligible employees of the Funds participate in the State Employees Retirement System (SERS). SERS is the single-employer defined benefit pension plan of the State of Connecticut's primary government and its component units, covering substantially all of the full-time employees who are not eligible for another state-sponsored retirement plan. The plan is administered by the State Employees Retirement Commission and governed by Sections 5-152 to 5-192 of the Connecticut General Statutes.

The Funds' employees are employees of the State of Connecticut. The State charges the Funds for their share of the pension obligation under a cost-sharing methodology in which pension obligations for employees are pooled and plan assets are available to pay the benefits of the employees of all participating employers, regardless of the status of the employers' payment of their pension obligations to the plan.

SERS issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at osc.ct.gov/rbsd/reports.

Benefits Provided

SERS provides retirement, disability, and death benefits. Employees are covered under one of four tiers, depending on when they were hired. Tier I employees who retire at or after age 65 with 10 years of credited service or at or after age 55 with 25 years of service are eligible for an annual retirement benefit payable monthly for life, in an amount of 2 percent of the annual average earnings (which are based on the three highest years of service), subject to adjustment on receipt of Social Security benefits. Employees at age 55 with 10 years but with less than 25 years of service or at age 70 with five years of service are entitled to a reduced benefit.

Tier II and Tier IIA employees who retire at or after age 60 with 25 years of service, or at age 65 with 10 years of service, at age 70 with five years of service, or at age 55 with 10 years of service with reduced benefits are entitled to an annual retirement benefit payable monthly for life, in an amount of one and one-third percent of the average annual earnings plus one-half of one percent of the average annual earnings in excess of the salary breakpoint in the year of retirement for each year of credited service. In addition, any years of service over 35 would be at one and five-eighths percent.

For Tier III employees, full retirement benefits are attained at age 63 with 25 years of service or at age 65 with 10 years of service and are payable monthly for life in an amount equal to one and one-third percent of the average annual earnings plus one-half of one percent of the average annual earnings in excess of the salary breakpoint in the year of retirement for each year of credited service. In addition, any years of service over 35 would be at one and five-eighths percent.

Note 10 - Pension Plan (Continued)

Contributions

Tier I requires an employee contribution of either 2 percent or 5 percent of salary, depending on the plan. Tier II is a noncontributory plan. Tier IIA and Tier III require an employee contribution of 2 percent of salary. The Funds' contribution is determined by applying a state-mandated percentage to eligible salaries and wages. There were no changes in benefit terms in the valuation for the year ended June 30, 2017.

Net Pension Liability

At June 30, 2018, the Funds reported a liability of $69,792,770 for their proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The Funds' proportion of the net pension liability was based on the Funds' actuarially required contribution for the year ended June 30, 2017 relative to all other contributing employers. At June 30, 2017, the Funds' proportion was 0.33123 percent, which was an increase of 0.00661 percent from their proportion measured as of June 30, 2016. BDL and GA allocate their proportionate share based on the ratio of employee wages between the Funds.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the Funds recognized pension expense of $3,910,338.

At June 30, 2018, the Funds reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Bradley International Airport Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,395,234	$ -
Changes in assumptions	8,954,808	-
Net difference between projected and actual earnings on pension plan investments	-	(111,150)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	797,139	(2,750,114)
Employer contributions to the plan subsequent to the measurement date	4,594,979	-
Total	$ 15,742,160	$ (2,861,264)

Note 10 - Pension Plan (Continued)

	General Aviation Airports Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 270,969	$ -
Changes in assumptions	1,739,117	-
Net difference between projected and actual earnings on pension plan investments	-	(22,116)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	154,813	(547,214)
Employer contributions to the plan subsequent to the measurement date	897,250	-
Total	$ 3,062,149	$ (569,330)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will not be included in the presentation below):

Fiscal Years Ending June 30	BDL	GA
2019	$ 2,084,627	$ 397,072
2020	2,482,460	472,849
2021	2,253,836	429,302
2022	1,369,230	260,806
2023	95,764	35,540
Total	$ 8,285,917	$ 1,595,569

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.50 through 19.50 percent, an investment rate of return (net of investment expenses) of 6.90 percent, and the RP-2014 mortality tables. These assumptions were applied to all periods included in the measurement and are based on an experience study conducted for the period from July 1, 2011 through June 30, 2015.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the Funds' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10 - Pension Plan (Continued)

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the June 30, 2018 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment note, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap U.S. equities	21.00 %	5.80 %
Developed non-U.S. equities	18.00	6.60
Emerging markets (Non-U.S.)	9.00	8.30
Real estate	7.00	5.10
Private equity	11.00	7.60
Alternative investment	8.00	4.10
Fixed income (Core)	8.00	1.30
High-yield bonds	5.00	3.90
Emerging market bond	4.00	3.70
Inflation-linked bonds	5.00	1.00
Cash	4.00	0.40

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Funds, calculated using the discount rate of 6.90 percent, as well as what the Funds' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (5.9%)	Current Discount Rate (6.9%)	1 Percent Increase (7.9%)
Net pension liability of the State Employees Retirement System - BDL	$ 67,065,145	$ 57,990,740	$ 46,686,353
Net pension liability of the State Employees Retirement System - GA	13,648,815	11,802,030	9,501,409

Note 11 - Related Party Transactions

The State of Connecticut is responsible for processing the Funds' payroll and certain capital asset transactions involving the general aviation airports. Monies are transferred to the State on a monthly basis for this purpose.

In addition, the Funds receive certain grants and revenue that reimburse project costs incurred by the State. Such amounts are remitted to the State on a regular basis. Amounts due to the State as presented in the statement of net position totaled $3,320,972 at June 30, 2018.

Amounts due from the State as presented in the statement of net position totaled $2,970,365 at June 30, 2018.

Note 12 - Other Postemployment Benefit Plan

Plan Description

The State provides postemployment healthcare and life insurance benefits in accordance with State statutes, Sections 5-257(d) and 5-259(a), to all eligible employees who retire from the State, including employees of the Funds. The benefits are provided through the State of Connecticut State Employee OPEB Plan (the "Plan"), a cost-sharing multiple-employer plan administered by the State of Connecticut. The Plan does not issue stand-alone financial statements; however, financial statements for the Plan are included as part of the State of Connecticut certified annual financial report that is publicly available.

Under a cost-sharing plan, OPEB obligations for employees of all employers are pooled, and plan assets are available to pay the benefits of the employees of any participating employer providing OPEB benefits through the plan, regardless of the status of the employers' payment of their OPEB obligation to the plan. The plan provides healthcare benefits to plan members.

Benefits Provided

When employees retire, the State pays up to 100 percent of their healthcare insurance premium cost (including dependents' coverage) depending upon the plan. The State currently pays up to 20 percent of the cost for retiree dental insurance (including dependents' coverage) depending upon the plan. In addition, the State pays 100 percent of the premium cost for a portion of the employees' life insurance continued after retirement. The amount of life insurance, continued at no cost to the retiree, is determined based on the number of years of service that the retiree had with the State at time of retirement as follows: (a) if the retiree had 25 years or more of service, the amount of insurance will be one-half of the amount of insurance for which the retiree was insured immediately prior to retirement, but the reduced amount cannot be less than $10,000; (b) if the retiree had less than 25 years of service, the amount of insurance will be the proportionate amount that such years of service is to 25, rounded to the nearest $100. The State finances the cost of postemployment healthcare and life insurance benefits on a pay-as you-go basis through an appropriation in the State's General Fund.

Contributions

In accordance with the Revised State Employees Bargaining Agent Coalition (SEBAC) 2011 Agreement between the State of Connecticut and the SEBAC, all employees shall pay the 3 percent retiree healthcare insurance contribution for a period of 10 years or retirement, whichever is sooner. In addition, participants of Tier III and Tier IV shall be required to have 15 years of actual state service to be eligible for retirement health insurance. Deferred vested retirees who are eligible for retiree health insurance shall be required to meet the rule of 75, which is the combination of age and actual state service equaling 75 in order to begin receiving retiree health insurance based on applicable SEBAC agreement.

Net OPEB Liability

At June 30, 2018, the Funds reported a liability of $70,471,934 for their proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, which used update procedures to roll forward the estimated liability to June 30, 2018. The Funds' proportion of the net OPEB liability was based on the Funds' actuarially required contribution for the year ended June 30, 2017 relative to all other contributing employers. At June 30, 2017, the Funds' proportion was 0.406 percent, which was a decrease of 0.002 from its proportion measured as of June 30, 2016.

Note 12 - Other Postemployment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Funds recognized OPEB expense of $4,911,838.

At June 30, 2018, the Funds reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Bradley International Airport Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ 1,411,627
Net difference between projected and actual earnings on OPEB plan investments	-	66,602
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	-	203,566
Employer contributions to the plan subsequent to the measurement date	2,432,945	-
Total	$ 2,432,945	$ 1,681,795

	General Aviation Airports Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ 279,046
Net difference between projected and actual earnings on OPEB plan investments	-	13,170
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	-	40,255
Employer contributions to the plan subsequent to the measurement date	480,965	-
Total	$ 480,965	$ 332,471

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Fiscal Years Ending June 30	BDL	GA
2019	$ 382,075	$ 75,534
2020	382,075	75,534
2021	382,075	75,534
2022	382,082	75,535
2023	153,488	30,334
Total	$ 1,681,795	$ 332,471

Note 12 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using an inflation assumption of 3.68 percent; assumed salary increases (including inflation) of 3.50 percent; an investment rate of return (net of investment expenses) of 6.90 percent; a healthcare cost trend rate of 5.55 percent for 2018, adjusting each year to an ultimate rate of 4.50 percent for 2025 and later years; and the RP-2014 White Collar Mortality Table projected to 2020 by Scale BB at 100 percent for males and 95 percent for females for healthy participants and the RP-2014 Disabled Retiree Mortality Table at 65 percent for males and 85 percent for females for disabled participants. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.68 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the Funds' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return best-estimate on OPEB plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of OPEB plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from eight nationally recognized investment consulting firms. The June 30, 2017 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap U.S. equities	21.00 %	5.80 %
Developed non-U.S. equities	18.00	6.60
Emerging markets (Non-U.S.)	9.00	8.30
Real estate	7.00	5.10
Private equity	11.00	7.60
Alternative investment	8.00	4.10
Fixed income (core)	8.00	1.30
High-yield bonds	5.00	3.90
Emerging market bonds	4.00	3.70
Inflation-linked bonds	5.00	1.00
Cash or cash equivalents	4.00	0.40

Note 12 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Funds, calculated using the discount rate of 3.68 percent, as well as what the Funds' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (2.68%)	Current Discount Rate (3.68%)	1 Percent Increase (4.68%)
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - BDL	$ 68,295,549	$ 58,839,962	$ 51,178,921
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - GA	13,501,231	11,631,972	10,117,474

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Funds, calculated using the healthcare cost trend rate gradually decreasing to an ultimate rate of 4.50 percent, as well as what the Funds' net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease	Current Healthcare Cost Trend Rate	1 Percent Increase
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - BDL	$ 50,565,673	$ 58,839,962	$ 69,322,394
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - GA	9,996,242	11,631,972	13,704,226

Note 13 - Risk Management

The Funds are exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Funds have purchased commercial insurance for claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 14 - Commitments

Consistent with airport industry practice, the Funds offer incentives to airlines through their Air Service Incentive Program to aid in air service development at Bradley International Airport. This program is used to attract new airlines and to add additional air service routes for the existing airlines at Bradley International Airport. This program offers incentives for fixed rent discounts, landing fee discounts, and cooperative marketing assistance for new airlines. The level of assistance varies and is dependent upon the routes served. The cooperative marketing assistance component of the program creates future cost-sharing commitments to airlines. As of June 30, 2018, the Funds have incentive agreements with five different airlines that include cooperative marketing assistance. The aggregate original commitment for the marketing incentive to these airlines is $5,038,000. The amount of marketing assistance spent through June 30, 2018 was approximately $3,113,000, leaving a remaining commitment of approximately $1,925,000.

Note 14 - Commitments (Continued)

The Funds have active construction projects at year end. At year end, the Funds' commitments with contractors are as follows:

Project Name	Spent to Date	Remaining Commitment	Airport
New roadway system	$ 4,401,122	$ 6,306,909	Bradley
Snow removal equipment	1,391,625	5,392,318	Bradley
Terminal public restroom renovation	324,256	4,058,971	Bradley
CONRAC facility	11,004,595	2,594,260	Bradley
Fuel station improvements	75,812	1,437,468	Bradley
Reconstruction of Runway 18-36	9,104,739	25,033,390	Oxford
Total	$ 26,302,149	$ 44,823,316	

Note 15 - Change in Accounting Principle

During the current year, the Funds adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* As a result, the financial statements and the proprietary funds now include a liability for the unfunded portion of the Funds' retiree healthcare costs. Some of the change in this net OPEB liability will be recognized immediately as part of the OPEB expense measurement, and part will be deferred and recognized over future years. Refer to the other postemployment benefit plan note for further details.

As a result of implementing this statement, the beginning net positions of the Funds have been restated as follows:

	BDL	GA
Net position, June 30, 2017 - As previously stated	$ 301,153,013	$ 63,047,258
Fund's share of beginning plan net OPEB liability	(60,753,680)	(12,010,292)
Fund's share of 2017 employer contributions	2,071,270	409,466
Net position, June 30, 2017 - As restated	$ 242,470,603	$ 51,446,432

Required Supplemental Information

Required Supplemental Information
Bradley International Airport Enterprise Fund
Schedule of the Fund's Proportionate Share of the Net Pension Liability
Connecticut State Employees Retirement System

Last Four Fiscal Years

Plan Years Ended June 30

	2018	2017	2016	2015
Fund's proportion of the net pension liability	0.27716 %	0.27163 %	0.29059 %	0.29971 %
Fund's proportionate share of the net pension liability	$ 57,990,740	$ 61,956,274	$ 47,598,087	$ 47,575,674
Fund's covered employee payroll	$ 10,673,000	$ 10,107,000	$ 10,514,000	$ 10,055,000
Fund's proportionate share of the net pension liability as a percentage of its covered employee payroll	543.34 %	613.00 %	452.71 %	473.15 %
Plan fiduciary net position as a percentage of total pension liability	36.25 %	31.69 %	39.23 %	39.54 %

* No information by component is available prior to the June 30, 2014 valuation.

Required Supplemental Information
Bradley International Airport Enterprise Fund
Schedule of Pension Contributions
Connecticut State Employees Retirement System

Last Four Fiscal Years

Years Ended June 30

	2018	2017	2016	2015
Statutorily required contribution	$ 4,274,662	$ 4,079,450	$ 3,985,793	$ 3,802,980
Contributions in relation to the statutorily required contribution	4,274,662	4,079,450	3,985,793	3,802,980
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Employee Payroll	$ 10,673,000	$ 10,107,000	$ 10,514,000	$ 10,055,000
Contributions as a Percentage of Covered Employee Payroll	40.05 %	40.36 %	37.91 %	37.82 %

* No information by component is available prior to the June 30, 2014 valuation.

Required Supplemental Information
Schedule of the Fund's Proportionate Share of the Net OPEB Liability
Connecticut State Employees Health Plan

Last Two Fiscal Years

Plan Years Ended June 30

	2018	2017
Fund's proportion of the net OPEB liability	0.33889 %	0.34034 %
Fund's proportionate share of the net OPEB liability	$ 58,839,962	$ 58,682,410
Fund's covered employee payroll	$ 10,673,000	$ 10,107,000
Fund's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	551.30 %	580.61 %
Plan fiduciary net position as a percentage of total OPEB liability	3.03 %	1.94 %

* No information by component is available prior to the June 30, 2016 valuation.

Required Supplemental Information
Bradley International Airport Enterprise Fund
Schedule of OPEB Contributions
Connecticut State Employees Health Plan

Last Two Fiscal Years

Years Ended June 30

	2018	2017
Statutorily required contribution	$ 2,261,751	$ 2,071,270
Contributions in relation to the statutorily required contribution	2,261,751	2,071,270
Contribution Deficiency	**$ -**	**$ -**
Fund's Covered Employee Payroll	$ 10,673,000	$ 10,107,000
Contributions as a Percentage of Covered Employee Payroll	21.19 %	20.49 %

* No information by component is available prior to the June 30, 2016 valuation.

Required Supplemental Information
General Aviation Airports Enterprise Fund
Schedule of the Fund's Proportionate Share of the Net Pension Liability
Connecticut State Employees Retirement System

Last Four Fiscal Years

Plan Years Ended June 30

	2018	2017	2016	2015
Fund's proportion of the net pension liability	0.05407 %	0.05299 %	0.05668 %	0.05846 %
Fund's proportionate share of the net pension liability	$ 11,802,030	$ 12,585,970	$ 9,785,110	$ 9,782,981
Fund's covered employee payroll	$ 2,082,000	$ 1,972,000	$ 2,051,000	$ 1,962,000
Fund's proportionate share of the net pension liability as a percentage of its covered employee payroll	566.86 %	638.23 %	477.09 %	498.62 %
Plan fiduciary net position as a percentage of total pension liability	36.25 %	31.69 %	39.23 %	39.54 %

* No information by component is available prior to the June 30, 2014 valuation.

Required Supplemental Information
General Aviation Airports Enterprise Fund
Schedule of Pension Contributions
Connecticut State Employees Retirement System

Last Four Fiscal Years

Years Ended June 30

	2018	2017	2016	2015
Statutorily required contribution	$ 833,861	$ 795,781	$ 777,511	$ 741,849
Contributions in relation to the statutorily required contribution	833,861	795,781	777,511	741,849
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Employee Payroll	$ 2,082,000	$ 1,972,000	$ 2,051,000	$ 1,962,000
Contributions as a Percentage of Covered Employee Payroll	40.05 %	40.35 %	37.91 %	37.81 %

* No information by component is available prior to the June 30, 2014 valuation.

Required Supplemental Information
Schedule of the Fund's Proportionate Share of the Net OPEB Liability
Connecticut State Employees Health Plan

Last Two Fiscal Years

Plan Years Ended June 30

	2018	2017
Fund's proportion of the net OPEB liability	0.06699 %	0.06728 %
Fund's proportionate share of the net OPEB liability	$ 11,631,972	$ 11,600,826
Fund's covered employee payroll	$ 2,082,000	$ 1,972,000
Fund's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	558.69 %	588.28 %
Plan fiduciary net position as a percentage of total OPEB liability	3.03 %	1.94 %

* No information by component is available prior to the June 30, 2016 valuation.

Required Supplemental Information
General Aviation Airports Enterprise Fund
Schedule of OPEB Contributions
Connecticut State Employees Health Plan

Last Two Fiscal Years

Years Ended June 30

	2018	2017
Statutorily required contribution	$ 447,122	$ 409,466
Contributions in relation to the statutorily required contribution	447,122	409,466
Contribution Deficiency	**$ -**	**$ -**
Fund's Covered Employee Payroll	$ 2,082,000	$ 1,972,000
Contributions as a Percentage of Covered Employee Payroll	21.48 %	20.76 %

* No information by component is available prior to the June 30, 2016 valuation.

Other Supplemental Information

Other Supplemental Information
Statements of Net Position
Bradley International Airport Enterprise Fund

June 30, 2018

(with comparative totals for 2017)

	2018	2017
Assets		
Current assets:		
Cash	$ 4,473,013	$ 11,884,845
Short-term investments	90,852,283	75,796,351
Current portion of restricted investments	3,330,595	3,215,243
Accounts receivable	7,243,262	7,484,406
Grants receivable	731,153	3,504,152
Due from the State	2,272,270	5,681,314
Prepaid expenses and other assets	28,917	-
Total current assets	108,931,493	107,566,311
Noncurrent assets:		
Restricted assets:		
Cash	461	11,690
Investments	126,471,620	117,961,527
Accounts receivable	2,977,749	3,107,222
Interest receivable	174,924	83,740
Capital assets:		
Assets not subject to depreciation	26,565,559	17,160,243
Assets subject to depreciation - Net	230,090,519	236,923,691
Total noncurrent assets	386,280,832	375,248,113
Total assets	495,212,325	482,814,424
Deferred Outflows of Resources		
Interest rate swaps	10,999,429	16,264,598
Deferred loss on bond refunding	1,629,896	1,752,908
Deferred pension costs	15,742,160	19,059,136
Deferred OPEB costs	2,432,945	-
Total deferred outflows of resources	30,804,430	37,076,642
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	15,384,183	15,770,675
Unearned revenue and other	5,611,185	6,114,556
Payables from restricted assets:		
Current portion of revenue bonds payable	7,225,000	6,960,000
Revenue bond interest payable	1,074,179	1,122,043
Total current liabilities	29,294,547	29,967,274
Noncurrent liabilities:		
Net pension liability	57,990,740	61,956,274
Net OPEB liability	58,839,962	-
Revenue bonds payable - Net of current portion	102,105,000	109,330,000
Interest rate swap	10,999,429	16,264,598
Total noncurrent liabilities	229,935,131	187,550,872
Total liabilities	259,229,678	217,518,146

Other Supplemental Information
Statements of Net Position (Continued)
Bradley International Airport Enterprise Fund

June 30, 2018
(with comparative totals for 2017)

	2018	2017
Deferred Inflows of Resources		
Deferred pension cost reductions	$ 2,861,264	$ 3,558,711
Deferred OPEB cost reductions	1,681,795	-
Total deferred inflows of resources	4,543,059	3,558,711
Net Position		
Net investment in capital assets	148,955,974	135,387,901
Restricted:		
Capital Projects	124,329,702	114,613,027
Debt Service	6,520,911	7,664,138
Bond Indenture Requirements	2,104,736	2,102,259
Unrestricted	(19,667,305)	41,385,688
Total net position	**$ 262,244,018**	**$ 301,153,013**

Other Supplemental Information
Statements of Revenue, Expenses, and Changes in Net Position
Bradley International Airport Enterprise Fund

Year Ended June 30, 2018
(with comparative totals for 2017)

	2018	2017
Operating Revenue		
Airline revenue:		
Landing fees	$ 18,133,002	$ 18,423,657
Airline terminal rent	10,896,625	10,393,232
Apron and remote aircraft parking	4,354,396	3,924,153
Total airline revenue	33,384,023	32,741,042
Nonairline revenue:		
Rental cars	8,500,566	8,997,649
Terminal concessions	4,761,601	4,396,097
Land rent	5,081,420	4,945,474
Other concessions	4,811,206	3,960,442
Other operating revenue	2,831,896	2,694,627
Auto parking	11,630,736	11,391,516
Total nonairline revenue	37,617,425	36,385,805
Total operating revenue	71,001,448	69,126,847
Operating Expenses		
Salaries and related expense	21,869,384	21,095,585
Administrative and general	20,477,436	17,957,217
Repairs and maintenance	7,117,796	6,957,436
Energy and utilities	4,860,588	4,894,488
Depreciation and amortization	17,679,926	16,657,573
Total operating expenses	72,005,130	67,562,299
Operating (Loss) Income	(1,003,682)	1,564,548
Nonoperating Revenue (Expense)		
Passenger facility charge revenue	14,196,631	12,961,576
Car rental facility charge revenue	11,355,891	10,221,866
Investment income	1,476,258	571,689
Other nonoperating expenses	(2,483,803)	(1,249,348)
Bond interest expense	(4,347,945)	(4,595,692)
Airline revenue share expense	(2,076,502)	(2,312,026)
Noncash pension and OPEB actuarial assumption adjustments	1,939,603	2,380,144
Total nonoperating revenue	20,060,133	17,978,209
Income - Before capital contributions	19,056,451	19,542,757
Capital Contributions	716,964	5,208,709
Change in Net Position	19,773,415	24,751,466
Net Position - Beginning of year, as previously reported	301,153,013	276,401,547
Cumulative Effect of Change in Accounting	(58,682,410)	-
Net Position - Beginning of year, as adjusted	242,470,603	276,401,547
Net Position - End of year	**$ 262,244,018**	**$ 301,153,013**

Other Supplemental Information
Combining Statements of Net Position
General Aviation Airports Enterprise Fund

June 30, 2018

(with comparative totals for 2017)

	Oxford Airport	Brainard Airport	Groton New London Airport	Danielson Airport	Windham Airport	GA Airport Administration	2018	2017
Assets								
Current assets:								
Cash	$ -	$ -	$ -	$ -	$ -	$ 529,038	$ 529,038	$ 1,344,349
Short-term investments	-	-	-	-	-	7,482,649	7,482,649	6,803,465
Accounts receivable	60,715	95,943	32,413	3,870	29,552	2,882,629	3,105,122	170,052
Grants receivable	6,326,620	8,542	8,414	-	-	745	6,344,321	1,913,795
Due from the State	-	-	-	-	-	698,095	698,095	735,230
Prepaid expenses and other assets	17,350	17,347	17,349	17,347	17,351	-	86,744	-
Total current assets	6,404,685	121,832	58,176	21,217	46,903	11,593,156	18,245,969	10,966,891
Noncurrent assets - Capital assets:								
Assets not subject to depreciation	38,084,645	391,170	547,234	98,601	236,789	15,703	39,374,142	32,014,435
Assets subject to depreciation - Net	6,150,208	5,436,554	13,531,338	775,841	3,694,702	112,511	29,701,154	32,857,591
Total noncurrent assets - Capital assets	44,234,853	5,827,724	14,078,572	874,442	3,931,491	128,214	69,075,296	64,872,026
Total assets	50,639,538	5,949,556	14,136,748	895,659	3,978,394	11,721,370	87,321,265	75,838,917
Deferred Outflows of Resources								
Deferred pension costs	-	-	-	-	-	3,062,149	3,062,149	3,717,876
Deferred OPEB costs	-	-	-	-	-	480,965	480,965	-
Total deferred outflows of resources	-	-	-	-	-	3,543,114	3,543,114	3,717,876
Liabilities								
Current liabilities:								
Accounts payable and other accrued liabilities	3,140,552	174,501	195,120	5,440	6,194	733,853	4,255,660	2,032,881
Unearned revenue and other	72,237	16,285	66,622	19,950	5,961	8,740	189,795	191,053
Due to the State	3,320,972	-	-	-	-	-	3,320,972	992,424
Total current liabilities	6,533,761	190,786	261,742	25,390	12,155	742,593	7,766,427	3,216,358
Noncurrent liabilities:								
Net pension liability	-	-	-	-	-	11,802,030	11,802,030	12,585,970
Net OPEB liability	-	-	-	-	-	11,631,972	11,631,972	-
Total liabilities	6,533,761	190,786	261,742	25,390	12,155	24,176,595	31,200,429	15,802,328
Deferred Inflows of Resources								
Deferred pension cost reductions	-	-	-	-	-	569,330	569,330	707,207
Deferred OPEB cost reductions	-	-	-	-	-	332,471	332,471	-
Total deferred inflows of resources	-	-	-	-	-	901,801	901,801	707,207
Net Position								
Net investment in capital assets	44,234,853	5,827,724	14,078,572	874,442	3,931,491	128,214	69,075,296	64,872,026
Unrestricted	(129,076)	(68,954)	(203,566)	(4,173)	34,748	(9,942,126)	(10,313,147)	(1,824,768)
Total net position	**$ 44,105,777**	**$ 5,758,770**	**$ 13,875,006**	**$ 870,269**	**$ 3,966,239**	**$ (9,813,912)**	**$ 58,762,149**	**$ 63,047,258**

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Other Supplemental Information
Combining Statements of Revenue, Expenses, and Changes in Net Position
General Aviation Airports Enterprise Fund

Year Ended June 30, 2018
(with comparative totals for 2017)

	Oxford Airport	Brainard Airport	Groton New London Airport	Danielson Airport	Windham Airport	GA Airport Administration	2018	2017
Operating Revenue								
Airline revenue:								
Landing fees	$ 37,408	$ -	$ -	$ -	$ -	$ -	$ 37,408	$ 38,118
Airline terminal rent	-	-	10,920	-	-	-	10,920	10,920
Apron and remote aircraft parking	55,590	54,450	23,940	-	28,505	-	162,485	186,060
Total airline revenue	92,998	54,450	34,860	-	28,505	-	210,813	235,098
Nonairline revenue:								
Rental cars	51,118	2,587	108,626	-	-	-	162,331	166,175
Terminal concessions	-	-	11,235	-	-	-	11,235	3,056
Land rent	820,756	376,827	337,821	48,700	70,808	-	1,654,912	1,217,834
Other operating revenue	665,220	110,266	227,518	9,934	12,780	11,083	1,036,801	1,088,328
Total nonairline revenue	1,537,094	489,680	685,200	58,634	83,588	11,083	2,865,279	2,475,393
Total operating revenue	1,630,092	544,130	720,060	58,634	112,093	11,083	3,076,092	2,710,491
Operating Expenses								
Salaries and related expense	605,396	794,352	974,473	80,294	85,158	1,609,089	4,148,762	4,039,012
Administrative and general	72,086	69,434	137,878	21,028	29,671	40,425	370,522	402,947
Repairs and maintenance	88,923	92,016	282,050	95,656	169,564	90,560	818,769	697,855
Energy and utilities	55,096	65,801	116,488	10,358	15,597	1,604	264,944	267,577
Depreciation and amortization	944,583	484,025	1,314,602	115,154	657,641	7,738	3,523,743	3,805,159
Total operating expenses	1,766,084	1,505,628	2,825,491	322,490	957,631	1,749,416	9,126,740	9,212,550
Operating Loss	(135,992)	(961,498)	(2,105,431)	(263,856)	(845,538)	(1,738,333)	(6,050,648)	(6,502,059)
Nonoperating Revenue (Expense)								
Investment income	-	-	-	-	-	106,142	106,142	52,800
Aviation fuel tax revenue	-	-	-	-	-	5,214,602	5,214,602	-
State operating subsidies	-	-	-	-	-	-	-	4,166,125
Other nonoperating expenses	(1,341,737)	(33,383)	(18,545)	(1,432)	(1,926)	(23,170)	(1,420,193)	(645,344)
Noncash pension and OPEB actuarial assumption adjustments	-	-	-	-	-	383,438	383,438	464,295
Total nonoperating (expense) revenue	(1,341,737)	(33,383)	(18,545)	(1,432)	(1,926)	5,681,012	4,283,989	4,037,876
(Loss) Income - Before capital contributions	(1,477,729)	(994,881)	(2,123,976)	(265,288)	(847,464)	3,942,679	(1,766,659)	(2,464,183)
Capital Contributions	8,796,122	105,660	63,772	-	-	116,822	9,082,376	2,720,855
Interfund Transfers	(885,150)	508,881	964,153	176,383	222,659	(986,926)	-	-
Change in Net Position	6,433,243	(380,340)	(1,096,051)	(88,905)	(624,805)	3,072,575	7,315,717	256,672
Net Position - Beginning of year, as previously reported	37,672,534	6,139,110	14,971,057	959,174	4,591,044	(1,285,661)	63,047,258	62,790,586
Cumulative Effect of Change in Accounting	-	-	-	-	-	(11,600,826)	(11,600,826)	-
Net Position - Beginning of year, as adjusted	37,672,534	6,139,110	14,971,057	959,174	4,591,044	(12,886,487)	51,446,432	62,790,586
Net Position - End of year	**$ 44,105,777**	**$ 5,758,770**	**$ 13,875,006**	**$ 870,269**	**$ 3,966,239**	**$ (9,813,912)**	**$ 58,762,149**	**$ 63,047,258**

CONNECTICUT AIRPORT AUTHORITY
SCHEDULE OF INSURANCE COVERAGE - BRADLEY INTERNATIONAL AIRPORT
June 30, 2018
(*Unaudited*)

Type of Insurance	Property Covered	Amount of Coverage
Comprehensive Crime Policy	Employee Theft; ERISA; Forgery or Alteration, Computer Crime	$2,000,000
	computer crime, funds transfer, claim expense	$25,000 claims expense
		$15,000 deductible
Kidnap & Ransom	Ransom monies, in transits loss of ransom; judgments; settlements; defense costs	$5,000,000
	Consultant & Advisor costs	unlimited
	Personal accident per insured person	$250,000
	Personal accident per event aggregate	$2,500,000
Pers Acc'd Benefits per Ins person :	Death, loss of limb, loss of sight, permanent total disablement	100%
	Loss of extremity	50%
Other coverage :	Child abduction legal liability per abduction	$1,000,000
	Judgment, settlement, defense costs per abduction	$1,000,000
	Rest & Rehab sublimit per abduction	$25,000
Evacuation & repatriation costs:	No restricted countries	
	Evacuation & Repatriation per insured person; return or restoration costs per insured person	$25,000
	Salary continuation Indemnity period	3 months
	Personal effects	$10,000
	Subject to each evacuation & repatriation	$50,000
	Threat assessment extension	90 days $250,000 per threat assessment
	Disappearance extension	$250,000 per disappearance event
Express Kidnapping Extension:	Ransom & Expenses per insured event	$25,000
	Consultant Expenses per insured event	unlimited
	Personal Accident per insured person	$100,000
	Personal Accident per insured event	$500,000
	Hostage Extension	$5,000,000
	Business Interruption Extension	$5,000,000
	Business Interruption Extension Cyber Extortion	$1,000,000 per insured event/per annual aggregate
Workplace Violence Extension:	Per Workplace Violence event; annual aggregate	$5,000,000
	Indemnity Period	90 days
	Personal Accident per insured event/ per aggregate	$5,000,000
Fiduciary	Limit of Liability	$1,000,000 - $0 deductible
	Settlement program limit , HIPAA, 502 ©	
	Penalties limit	$100,000 Limit
Paramedic Professional	Policy aggregate	$3,000,000
	Each occurrence limit	$1,000,000
	Aggregate limit	$3,000,000
	Abuse Molestation limits per occ/aggregate	$1,000,000 $ 0 deductible
Police Professional	Maximum limit of liability	$1,000,000 each claim/claimant
	Retroactive date 7/1/2013	$1,000,000 aggregate limit
		$25,000 deductible
Public Official	Maximum limit of liability/aggregate	$10,000,000 each claim
	Crisis Management Fund	$50,000
	A.1	$0 deductible
	A.2; B; C	$75,000 deductible
Pollution	Pollution legal liability	$20,000,000 each pollution condition limit
	Policy Aggregate Limit	$22,000,000
	On-site and off site clean up costs	$20,000,000 each pollution condition limit
	Contracting Services Pollution Liability	$2,000,000 each pollution condition limit
	Non owned Disposal site	$20,000,000 each pollution condition limit
	In bound and out bound contingent transpiration	$20,000,000 each pollution condition limit
	On site cleanup costs for biohazards	$50,000
	Business interruption or Contingent Bus	$5,000,000
	Pollution legal liability	$20,000,000 coverage aggregate limit
	On-site and off site clean up costs	$20,000,000 coverage aggregate limit
	Contracting Services Pollution Liability	$2,000,000 coverage aggregate limit
	Non owned Disposal site	$20,000,000 coverage aggregate limit
	In bound and out bound contingent transpiration	$20,000,000 coverage aggregate limit
	On site cleanup costs for biohazards	$100,000
	Business interruption or Contingent Bus	$5,000,000
	Pollution legal liability	Retention $50,000
	On-site and off site clean up costs	Retention $50,000
	Contracting Services Pollution Liability	Retention $50,000
	Non owned Disposal site	Retention $50,000
	In bound and out bound contingent transpiration	Retention $50,000
	Business interruption or Contingent Bus	3 days
	On site cleanup cost for biological hazards	$2,500
	Includes Terrorism	
Automobile Policy	Comprehensive and Collision coverage	$1,000,000 Liability limit
		$5,000 medical payments
		$1,000,000 uninsured motorist
		$1,000,000 underinsured motorist
		$1,000 deductible - collision and comprehensive
Equipment	Owned scheduled equipment (as per schedule)	$19,554,109
	Misc unscheduled tools & equip ($500 max on one item)	$100,000
	Lease rented or borrowed from others	$500,000
		$100,000 deductible - Groton only (flood only)
		$25,000 deductible - Hartford only (flood only)
		$2,500 deductible all other locations and perils
Property	Total insured Values	$828,864,556
	Policy Limit Building and Personal Property	$500,000,000
	Business Income (rental value incl/ord payroll excl)	$50,373,784
	Extra Expense	$10,000,000

	Earthquake	$100,000,000
	Flood Zone A	$10,000,000
	Flood at all other Insured Premises	$100,000,000
	Boiler and machinery insured loc only	$250,000,000
	Utility Services Combined Dr Damage & time element	$25,000,000
	Ordinance or Law Undamage Portion	Policy limit
	Ordinance or Law Demolition	$50,000,000
	Ordinance or Law Increased Cost of Construction	$50,000,000
Deductibles:	Earthquake, volcanic eruption, landslide and mine	
	subsidence; flood; windstorm 155 Tower Ave Grton	$100,000 any one occurrence
	Windstorm occurring at other locations	$100,000 any one occurrence
	Windstorm other locations (high hazard 5%)	$250,000 occurrence
	Boiler and machinery any one accident, utility serv	$100,000 deductible
	Soft costs & Utility services	24 hours
Airport Liability	All airports - Each Occurrence Limit	$200,000,000
	Damage to premise rented to you	$1,000,000 limit
	Personal & Advertising injury	$50,000,000 aggregate limit
	Products completed operations	$200,000,000 aggregate limit
	Malpractice	$50,000,000 Aggregate Limit
	Hangar Keepers	$200,000,000 each aircraft limit/each loss limit
	Excess auto liability	$50,000,000 xs $1,000,000 excess auto/excess employers liability
	Garage Keepers	$250,000 any one loss/any one auto
	Catastrophe Management	$250,000 annual limit
	National response Plan; TRIA	$50,000,000 sublimit
	Non owned Aircraft Liability; Host Liquor Liability	$200,000,000
	Physical Damage non owned Aircraft	$250,000
	Limited War, Hijacking and other Perils	$100,000,000
	Employee Benefits Liability	$1,000,000
	Deductible:	$10,000 deductible ea occurrence/aggregate
		$500 deductible employee benefit liability
Excess Flood (Groton only)	75 Tower Ave	$500,000 building and contents $1,250 deductible
	165 Tower Ave	$500,000 building and contents $1,250 deductible
	155 Tower Ave	$500,000 building and contents $1,250 deductible
Network Security	Maximum Single Limit/Maximum aggregate	$2,000,000
First Party Agreements	Standard Cyber Incident Resp Team each claim/aggregate	$1,000,000 - deductible $15,000
	Non panel response provide each claim/aggregate	$500,000 - deductible $15,000
	Bus Interruption loss & extra exp each claim/aggregate	$2,000,000 - deductible $15,000 - 24 hours
	Contingent Business Inter/loss & extra expenses unscheduled vendors each claim/aggregate	$250,000 - deductible $15,000 12 hours
	Network extortion each claim/aggregate	$2,000,000 - deductible $15,000
Third Party Liability Agreements	Cyber, privacy & network security liab each claim/aggregate	$2,000,000 - deductible $15,000
	Payment card loss each claim/aggregate	$250,000 - deductible $15,000
	Regulatory proceedings each claim/aggregate	$2,000,000 - deductible $15,000
	Electronic, social, printed media liability each claim/aggregate	$2,000,000 - deductible $15,000
Retroactive Dates:	Cyber, Privacy & Network Security liability; Payment card loss; Regulatory Proceedings	Full Prior Acts
	Electronic, Social, Printed Media	7/1/2015
Pending or Prior Preceding Dates:	Cyber, Privacy & Network Security liability; Payment card loss; Regulatory Proceedings; Electronic, social & Printed Media	7/1/2015
International Property	Total insured Value - real, personal and time element	$150,000
	Cargo Coverage	$50,000
	Gov't Act Endorsement	$25,000
	Deductible	$1,000 per occurrence
		$5,000 earth movement/flood/named windstorm
		$2,500 laptop per occurrence
International Gen Liability	General Aggregate	$2,000,000
	Products and Completed Operations	N/A
	Personal and Advertising Injury	$1,000,000
	Each Occurrence	$1,000,000
	Damage to premises rent to you	$1,000,000
	Medical Payments	$25,000
	Employee Benefits Liability - Claims Made/aggregate	$1,000,000
	Care, custody or control extension	$25,000 Property damage each occurrence
		$50,000 Aggregate
		$1,000 deductible each occurrence
	Limited Electronic Data Loss Cov A limit ea occur	$1,000,000
	Limited Electronic Data Loss Cov B any one person/org	$1,000,000
	Limited Electronic Data Loss Aggregate limit	$1,000,000
International Auto	Each Accident	$1,000,000
	Hired auto physical damage - any one accident	$50,000
	Medical payments - each accident	$50,000
International Workers Comp	Benefits for Voluntary Comp - North Amer. - State of Hire	Third Country Nationals; Local Nationals not covered
	Policy Limits Medical Assist Serv	$1,000,000
	Employers Liability by accident/disease	$1,000,000 Each Accident / Policy limit/each employee
	Repatriation Expense & Emerg relocation	$5,000 per employee per insured event
		$10,000 policy limit regardless of # of insured events
Accidental Death & Dismember	Coverage A Employee - Principal Sum	$250,000
	Coverage A Spouse	$50,000
	Coverage A Child	$25,000
	Medical Expense - Per Person	$25,000
	Aggregate Limit of Liability	$1,500,000
	For Education Serv Aggregate limit of Liability	$2,000,000

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the caption "—General" below has been provided by DTC. The Authority makes no representations as to the accuracy or the completeness of such information. The Beneficial Owners of the Series 2019 Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2019 BONDS UNDER THE INDENTURE, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2019 BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE TO THE OWNERS OF THE SERIES 2019 BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SERIES 2019 BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2019 Bond certificate will be issued for each maturity of each Series of the Series 2019 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, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect

Participants"). DTC has a S&P rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 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 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 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 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 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 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series 2019 Bond documents. For example, Beneficial Owners of Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

While the Series 2019 Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2019 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 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 Authority 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 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2019 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 Authority, 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Series 2019 Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Series 2019 Bonds will be printed and delivered to DTC.

The information in this Appendix G concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2019 BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

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APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

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

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

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

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

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

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

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

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

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

SPECIMEN

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

Mixed Sources
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