OFFICIAL STATEMENT DATED MAY 22, 2024

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS
Underlying Ratings: Moody's: A3
Fitch: BBB+
BAM Insured Rating: S&P: AA
(See "RATINGS" herein)
(See "BOND INSURANCE" herein)

In the opinion of Bond Counsel, interest on the Series 2024 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). In the opinion of Bond Counsel, interest on the Series 2024 Bonds is excluded from Idaho tax under present Idaho income tax laws. See "TAX MATTERS."

$86,025,000 CITY OF BOISE CITY, IDAHO
Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable)

Dated: Date of Delivery **Due: September 1, as shown on inside cover**

The City of Boise City, Idaho Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable) (the "Series 2024 Bonds") are being issued (i) to design, acquire and construct the first phase of a consolidated rental car center and related improvements (the "ConRAC Project") at the Boise Airport Terminal/Gowen Field (the "Airport"), (ii) to fund all or a portion of a debt service reserve fund for the Series 2024 Bonds, (iii) to fund capitalized interest for the Series 2024 Bonds, and (iv) to pay the costs of issuing the Series 2024 Bonds (collectively, the "Series 2024 Project").

Interest on the Series 2024 Bonds accruing from the date of delivery is payable on March 1 and September 1 of each year, commencing September 1, 2024. The Series 2024 Bonds are subject to optional and mandatory sinking fund redemption as further described herein under "DESCRIPTION OF THE SERIES 2024 BONDS - Redemption Provisions."

The Series 2024 Bonds will be issued and secured pursuant to a Trust Indenture (Customer Facility Charge) dated as of June 1, 2024 (the "CFC Indenture") between the City of Boise City, Idaho (the "City") and Zions Bancorporation, National Association, as trustee (the "Trustee"). **THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM AND ARE SECURED BY A SECURITY INTEREST IN (i) THE REVENUES GENERATED FROM THE COLLECTION OF A RENTAL CAR CUSTOMER FACILITY CHARGE ("CFC") LEVIED ON CUSTOMERS OF THE RENTAL CAR COMPANIES OPERATING AT THE AIRPORT (THE "CFC REVENUES"), (ii) CONCESSIONAIRE'S DEFICIENCY PAYMENTS AND CONCESSIONAIRE'S DEFICIENCY TRUE-UP, AS EACH TERM IS DEFINED IN THE CONCESSIONAIRE AGREEMENTS (THE "DEFICIENCY PAYMENTS"), AND (iii) BALANCES IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TERMS OF THE CFC INDENTURE, AS FURTHER DESCRIBED UNDER "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS." THE SERIES 2024 BONDS ARE NOT SECURED BY THE GENERAL REVENUES OF THE AIRPORT AND ARE NOT A GENERAL OBLIGATION OF THE CITY. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, STATE OF IDAHO, NOR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR PAYMENT OF THE SERIES 2024 BONDS.** See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS."

When issued, the Series 2024 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2024 Bonds. Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry form, in denominations of $5,000 and integral multiples thereof. Purchasers will not receive bonds representing their interests in the Series 2024 Bonds, except as described herein. So long as DTC or its nominee is the registered owner of the Series 2024 Bonds, payments of principal of and interest on the Series 2024 Bonds will be made directly to DTC or to such nominee. Disbursement of such payments to DTC's Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct Participants and the Indirect Participants. See APPENDIX F - "BOOK-ENTRY SYSTEM."

BAM
BUILD AMERICA MUTUAL

The Series 2024 Bonds are offered when, as and if delivered and received by Raymond James & Associates, Inc. (the "Underwriter"), subject to approving legal opinions of Skinner Fawcett LLP, Boise, Idaho, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for City by its City Attorney; and for the Underwriter by its counsel, Hawley Troxell Ennis & Hawley LLP. It is expected that the Series 2024 Bonds will be available for delivery to the Trustee on behalf of DTC by Fast Automated Securities Transfer on or about June 4, 2024.

RAYMOND JAMES®

$86,025,000 City of Boise City, Idaho
Airport Customer Facility Charge Revenue Bonds (ConRAC Project),
Series 2024 (Federally Taxable)

MATURITY SCHEDULE

Due September 1	Principal Amount	Interest Rate	Yield	CUSIP[1] 097428
2027	$1,350,000	5.200%	5.200%	FD3
2028	1,420,000	5.166	5.166	FE1
2029	1,490,000	5.216	5.216	FF8
2030	1,570,000	5.342	5.342	FG6
2031	1,655,000	5.392	5.392	FH4
2032	1,745,000	5.376	5.376	FJ0
2033	1,835,000	5.401	5.401	FK7
2034	1,935,000	5.476	5.476	FL5
2035	2,040,000	5.576	5.576	FM3
2036	2,155,000	5.676	5.676	FN1
2037	2,275,000	5.726	5.726	FP6

$20,050,000 5.749% Term Bonds due September 1, 2044 @ 5.749% CUSIP No. 097428 FS0[1]

$19,985,000 5.799% Term Bonds due September 1, 2049 @ 5.799% CUSIP No. 097428 FT8[1]

$26,520,000 5.849% Term Bonds due September 1, 2054 @ 5.849% CUSIP No. 097428 FU5[1]

[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. CUSIP Global Services (CGS) is managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. CUSIP® numbers are provided for convenience of reference only. The City and the Underwriter take no responsibility for the accuracy of such numbers.

CITY OF BOISE CITY, IDAHO
150 N. Capitol Boulevard, P.O. Box 500
Boise City, Idaho 83701-0500
(208) 384-3780
www.cityofboise.org*

CITY COUNCIL

Name	Position	Term Expires
Lauren McLean	Mayor	December 31, 2027
Colin Nash	President	December 31, 2025
Meredith Stead	Pro Tem	December 31, 2027
Luci Willits	Member	December 31, 2027
Kathy Corless	Member	December 31, 2027
Jordan Morales	Member	December 31, 2025
Jimmy Hallyburton	Member	December 31, 2025

ADMINISTRATION

Rebecca Hupp, Airport Director
Kathleen Watkins, Airport Deputy Director of Finance
Lynda Lowry, CFO & Director of Finance Administration; Ex-Officio City Clerk and Treasurer
David Hasegawa, Deputy City Treasurer
Kelley Fleming, Assistant City Attorney

AIRPORT COMMISSION

Jamie Boesiger, Chair
Carrie Westergard, Vice Chair
Meg Carlson
John Cunningham
Brigadier General Tim Donnellan
Garrett Nancolas
Bill Vasconcellos
Miles Conklin
Luci Willits, City Council Liaison

BOND COUNSEL

Skinner Fawcett LLP
Boise, Idaho

UNDERWRITER'S COUNSEL

Hawley Troxell Ennis & Hawley LLP
Boise, Idaho

FINANCIAL ADVISOR

PFM Financial Advisors, LLC
San Francisco, California

TRUSTEE

Zions Bancorporation, National Association
Boise, Idaho

INDEPENDENT AUDITORS

Eide Bailly LLP
Boise, Idaho

* The City's website is not incorporated into this Official Statement by this reference and is not a part hereof.

The information contained in this Official Statement has been obtained from the City and other sources deemed to be reliable, but no representation or guarantee is made by the Underwriter as to the accuracy or completeness of such information, and nothing contained in this Official Statement is or shall be construed or relied upon as a guarantee, promise or representation by the Underwriter.

This Official Statement is submitted in connection with the sale of the Series 2024 Bonds described herein and may not be reproduced or used, in whole or in part, for any other purpose. All quotations from and summaries and explanation of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statement made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2024 Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. No dealer, salesman nor any other person has been authorized by the City to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series 2024 Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by the City or any other person.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2024 BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2024 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET; SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE.

THE SERIES 2024 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE BOND INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE EXEMPTIONS FROM REGISTRATION AND FROM QUALIFICATION IN ACCORDANCE WITH APPLICABLE PROVISIONS OF FEDERAL OR STATE SECURITIES LAWS CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE SERIES 2024 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SERIES 2024 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Cautionary Note Regarding Forward-Looking Statements

This Official Statement contains disclosures which contain "forward–looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward–looking statements include all statements that do not relate solely to historical or current facts, and can be identified by use of words like "believe," "intend," "expect," "project," "forecast," "estimate," "anticipate," "plan," "continue," or similar expressions or by the use of future or conditional verbs such as "may," "will," "should," "would," or "could." These forward–looking statements are based on the current plans and expectations of the City and are subject to a number of known and unknown uncertainties and risks, many of which are beyond their control and/or difficult or impossible to predict, that could significantly affect current plans and expectations and the Airport's future financial position, including but not limited to changes in general economic conditions, demographic trends and State and federal funding of programs which benefit the Airport. As a consequence, current plans, anticipated actions and projected or future financial positions and liquidity may differ materially from those expressed in (or implied by) any forward– looking statements made by the City or the Airport Consultant in this Official Statement based on a number of factors, including, among others, the amount of CFC Revenues, cost reduction, capital markets condition, future long-term and short-term borrowings, the financial condition of the City, potential legislative or other actions, pandemics, including but not limited to COVID-19, epidemics and natural disasters and other risks and uncertainties discussed under the captions "CERTAIN INVESTMENT CONSIDERATIONS." Such forward-looking statements include, but are not limited to, certain statements contained in Appendix A – Report of the Airport Consultant attached hereto. The Report of the Airport Consultant should be read in its entirety, including any notes and assumptions set forth therein.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN REVIEW OF THE TERMS OF THE SERIES 2024 BONDS, THE OFFERING THEREOF AND THE SECURITY THEREFOR, INCLUDING BUT NOT LIMITED TO THE COLLECTION OF CFC REVENUES AS THE ONLY SOURCE OF PAYMENT OF THE SERIES 2024 BONDS, AND THE MERITS AND RISKS INVOLVED IN A DECISION TO PURCHASE SERIES 2024 BONDS. THE SERIES 2024 BONDS HAVE NOT BEEN APPROVED, DISAPPROVED OR RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHER, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

$86,025,000 City of Boise City, Idaho
Airport Customer Facility Charge Revenue Bonds (ConRAC Project),
Series 2024 (Federally Taxable)

INTRODUCTION

The purpose of this Official Statement, which also includes the cover page, inside cover page, table of contents and appendices, is to provide information concerning the issuance of $86,025,000 aggregate principal amount of City of Boise City, Idaho Airport Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable) (the "Series 2024 Bonds"). The City has appointed Zions Bancorporation, National Association, as the trustee (the "Trustee") for the Series 2024 Bonds.

The Series 2024 Bonds are issued pursuant to a Trust Indenture (Customer Facility Charge) dated as of May 1, 2024 (the "CFC Indenture") to be entered into between the City of Boise City, Idaho (the "City") and the Trustee. Capitalized terms used in this Official Statement but not defined have the meanings set forth in the CFC Indenture, a form of which is included in this Official Statement as Appendix B.

The City

The City, organized in 1866, is located in the Southwest portion of Idaho and serves as the Idaho State capital and the County Seat of Ada County. The City is the largest municipality in Idaho and has an estimated population of 236,634 as of July 1, 2022. The City is governed by a Mayor and a six-member City Council. See "THE CITY OF BOISE." The City is the principal business and government center of the Boise Metropolitan Statistical Area, which had an estimated population of 811,336 as of 2022 (the "Boise MSA").

Purpose and Authorization of the Series 2024 Bonds

The proceeds of the Series 2024 Bonds, together with certain City funds, will be applied (i) to pay a portion of the design, acquisition and construction of the first phase of a consolidated rental car center and related improvements (the "ConRAC Project") at the Boise Airport Terminal/Gowen Field (the "Airport"), (ii) to fund all or a portion of a debt service reserve fund for the Series 2024 Bonds, (iii) to fund capitalized interest for the Series 2024 Bonds, and (iv) to pay the costs of issuing the Series 2024 Bonds (collectively, the "Series 2024 Project"). See "THE CONRAC PROJECT – Description of the ConRAC Project" herein.

The Series 2024 Bonds are authorized under Article VIII, Section 3E of the Constitution of the State of Idaho; the Revenue Bond Act, Sections 50-1027 through 50-1042, inclusive, Idaho Code; and Section 21-401, Idaho Code (collectively, the "Act") relating to issuance of revenue bonds, without approval of the electorate, to finance the acquisition and construction of "airport facilities" as defined in the Act. On May 7, 2024 the City Council adopted an ordinance authorizing the issuance and sale of the Series 2024 Bonds.

Security and Sources of Payment for the Series 2024 Bonds

The Series 2024 Bonds are issued in accordance with the CFC Indenture, payable solely from and secured by a security interest in (i) the revenues generated from the collection of a rental car customer facility charge ("CFC") levied on customers of the rental car companies operating at the Airport (the

"CFC Revenues"), and (ii) Concessionaire's Deficiency Payments (the "Deficiency Payments") and Concessionaire's Deficiency True-up (the "Deficiency True-up"), as each term is defined in the Concessionaire Agreements (and below in "RENTAL CAR OPERATIONS AND CUSTOMER FACILITY CHARGES AT THE AIRPORT – Concessionaire Agreements"), and (iii) balances in certain funds and accounts established under the terms of the CFC Indenture. The Series 2024 Bonds are not secured by the general revenues of the Airport and are not a general obligation of the City. Neither the full faith and credit nor the taxing power of the City, the State of Idaho, nor any political subdivision thereof, is pledged for payment of the Series 2024 Bonds. The City may elect to pledge other receipts at any time as additional security for any one or more series of Bonds or other obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS."

Pursuant to the CFC Indenture, the City will covenant to, among other things, (i) comply with all provisions of the CFC Laws (as defined herein) applicable to the City (ii) impose and collect CFCs in accordance with the CFC Laws at sufficient levels, to make the deposits required to be made pursuant to the CFC Indenture; (iii) not take any action or omit to take any action with respect to the CFCs, the ConRAC Project, the Airport or otherwise if such action or omission would, pursuant to the CFC Laws, cause the termination or reduction (below levels required in the CFC Indenture) of the City's authority to impose a CFC at the Airport or prevent the collection and use of the CFCs as contemplated by the Concessionaire Agreements and the CFC Indenture; and (iv) contest any attempt by any person to terminate, reduce (below levels required in the CFC Indenture), or suspend the City's authority to impose and collect a CFC at the Airport and/or use CFCs in the manner contemplated the Concessionaire Agreements and the CFC Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS," "RENTAL CAR OPERATIONS AND CUSTOMER FACILITY CHARGES AT THE AIRPORT" and APPENDIX B – FORM OF CFC INDENTURE."

The City has reserved the right in the CFC Indenture to incur additional obligations payable from CFC Revenues as further described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS - Issuance of Additional Obligations Secured by CFC Revenues" herein.

Customer Facility Charges and Agreements with Rental Car Companies

Section 8-6-1 of the Boise City Code, as amended from time to time (collectively, with any other applicable State law the provisions of which address the imposition of Customer Facility Charges, the "CFC Laws") authorize the City to require rental car companies operating at the Airport to collect a CFC from customers renting cars from such rental car companies. Pursuant to the CFC Laws and the Concessionaire Agreements, the City authorized the collection of a CFC, which is currently at $7.95 per transaction-day, effective January 1, 2024, limited to the first 14 transaction days per rental car customer contract. The City intends to further increase the CFC, as described below under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS." The CFC amount is set by the City Council without limitation. Fourteen transaction days is the maximum number of days allowed under the CFC Laws. See SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Customer Facility Charges."

The City has current agreements governing rental car companies and CFC collections, which are to remain in effect through the May 21, 2024 on which date the Boise City Council is expected to approve Non-Exclusive On-Airport Vehicle Rental Services Concession and Lease Agreements Boise Airport (collectively the "Concessionaire Agreements") with the rental car companies currently operating at the Airport (the "Concessionaire"), governing the terms and conditions under which the ConRAC Project is to be developed, operated and maintained. The companies currently provided rental car service at the Airport. See SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Concessionaire Agreements."

Certain Investment Considerations

The Series 2024 Bonds may not be suitable for all investors and may involve investment risk. Prospective purchasers of the Series 2024 Bonds should read this entire Official Statement, including "CERTAIN INVESTMENT CONSIDERATIONS." Such sections contain a discussion of certain risks relating to the Series 2024 Bonds and the airline industry in particular.

Factors Affecting the Airline Industry

Many factors and events affect the air transportation industry, many of which the industry cannot control. For example, general economic conditions, international conflicts, increased security requirements in air transportation, the threat of future domestic and international terrorist attacks, significant increases in fuel costs and the outbreak and transmission of certain communicable sicknesses (such as COVID-19, avian flu, SARS and the Zika virus), a growing shortage of airline pilots, and airline consolidation have adversely affected the air transportation industry, including operations of the airlines at the Airport, in recent years or may do so in the future. For a more complete discussion of recent events affecting the Airport and the airlines that use the Airport, see "CERTAIN INVESTMENT CONSIDERATIONS – General Factors Affecting the Airline Industry."

Factors Affecting the Rental Car Industry

General factors have historically or are expected in the future to affect rental car demand. Whether visitors choose to rent a car versus using other ground transportation options is generally influenced by, among others, rental car industry profitability, pricing and consolidation, the reason for travel, convenience of rental car facilities and availability of alternative transportation. See "CERTAIN INVESTMENT CONSIDERATIONS – General Factors Affecting the Rental Car Industry" for further discussion.

Report of the Airport Consultant

The Airport has retained LeighFisher to serve as the airport consultant (the "Airport Consultant") in connection with the issuance of the Series 2024 Bonds. The Airport Consultant has prepared the Report of the Airport Consultant dated May 14, 2024 (the "Report"). The purpose of the Report is to present the results of the Airport Consultant's assessment of the City's ability to meet rate covenant requirements for the Series 2024 Bonds. The Airport Consultant has provided its consent to include the Report in this Official Statement. See APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT."

Continuing Disclosure

The City has covenanted for the benefit of the holders and beneficial owners of the Series 2024 Bonds to provide certain financial information and operating data and to give notices of certain events to assist the Underwriter in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5). See "CONTINUING DISCLOSURE."

Miscellaneous

Brief descriptions of the Series 2024 Bonds, the City and certain statutes, agreements, reports and other instruments are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the statutes, agreements, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, 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 City since the date hereof.

This Official Statement is not to be construed as a contract or agreement between the City and purchasers or owners of any of the Series 2024 Bonds.

PLAN OF FINANCE

General

The proceeds of the Series 2024 Bonds will be used (i) to pay a portion of the design, acquisition and construction of the ConRAC Project, (ii) to fund all or a portion of a debt service reserve fund for the Series 2024 Bonds, (iii) to fund capitalized interest for the Series 2024 Bonds, and (iv) to pay the costs of issuing the Series 2024 Bonds (collectively, the "Series 2024 Project").

Currently, rental car operations at the Airport are spread out within and outside of the terminal, with the customer service area being at the east end of the terminal and the ready/return lot being located at the west end of the terminal. See "RENTAL CAR OPERATIONS AND CUSTOMER FACILITY CHARGES AT THE AIRPORT – Rental Car Transactions and CFC Collections" herein for further detail.

The ConRAC Project is being undertaken to (i) enhance the operational effectiveness of rental car operations at the Airport, providing a more streamlined and seamless experience for those wishing to rent a vehicle at the Airport; (ii) meet current and anticipated demand for rental cars at the Airport; and (iii) enable the future development of passenger terminal facilities at the Airport, namely the construction of a new concourse. The total cost of designing, constructing and equipping of the ConRAC Project is currently estimated to be approximately $110 million, which cost is expected to be paid with (1) proceeds from the sale of the Series 2024 Bonds, (2) accumulated CFC Revenues collected through the in-service date on a pay-as-you-go basis, and (3) CFC cash balances currently on hand. See "THE CONRAC PROJECT –Costs of ConRAC Project; Construction Manager at Risk".

Other Outstanding Debt

The City does not have any other outstanding debt secured by the CFC Revenues. The City is contemplating additional parity debt to finance Phase 2 of the ConRAC Project, subject to certain events, and no earlier than June 2027. See "The CONRAC PROJECT – Phase Two of Rental Car Improvements" below.

[Remainder of page intentionally left blank.]

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2024 Bonds are estimated to be applied as shown in the following tables:

Sources and Uses of
the Series 2024 Bonds

	Series 2024 Bonds
Sources of Funds:	
Principal Amount	$86,025,000.00
Total Sources	**$86,025,000.00**
Uses of Funds:	
Project Fund	$70,002,526.51
Capitalized Interest Account (1)	8,252,225.36
Debt Service Reserve Fund	6,272,974.30
Bond Insurance Premium	634,426.72
Costs of Issuance Account (2)	862,847.11
Total Uses	**$86,025,000.00**

(1) Interest will be capitalized through the estimated in-service date of the ConRAC Project, April 1, 2026, as further described in "THE CONRAC PROJECT" below.

(2) Represents estimated costs of issuing the Series 2024 Bonds, including underwriter's discount, legal and auditors' fees, fees of the Financial Advisor, fees of the Airport Consultant, verification, escrow, printing and rating agency costs.

DESCRIPTION OF THE SERIES 2024 BONDS

General

The Series 2024 Bonds bear interest at the rates and mature in the amounts and on the dates set forth on the cover page of this Official Statement. Interest on the Series 2024 Bonds from the date of their initial delivery is to be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2024 Bonds is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2024.

The Series 2024 Bonds shall be issued in fully registered form, provided that the principal or redemption price, and interest in respect thereof shall be payable from any legally available CFC Revenues of the City. The Series 2024 Bonds shall be issued in the denomination of $5,000 each or any integral multiple thereof. Upon initial issuance, the ownership of each Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC is to act as securities depository for the Series 2024 Bonds. Individual purchases may be made only in book-entry form. Purchasers will not receive Bonds representing their interest in the Series 2024 Bonds purchased. Except as provided in the CFC Indenture, so long as Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the registered owner of the Series 2024 Bonds, as nominee of DTC, references herein to "Owners," "Bond Holders" or "Registered Owners" mean Cede & Co. and not the Beneficial Owners of the Series 2024 Bonds. In this Official Statement, the term "Beneficial Owner" means the person for whom its DTC Participant acquires an interest in the Series 2024 Bonds.

So long as Cede & Co. is the registered owner of the Series 2024 Bonds, the principal of and interest on the Series 2024 Bonds are payable by wire transfer to Cede & Co. (or such other name as may be requested by an authorized representative of DTC), as nominee for DTC which, in turn, is to remit such amounts to the Direct Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX F - "BOOK-ENTRY SYSTEM."

Redemption Provisions

Optional Redemption. The Series 2024 Bonds maturing on or before September 1, 2034 are not subject to optional redemption prior to their stated dates of maturity. The Series 2024 Bonds maturing on and after September 1, 2035 are subject to redemption, in whole or in part, in maturities as selected by the City on any date on or after September 1, 2034 at a price of par plus accrued interest to the redemption date.

Make-Whole Redemption. Prior to the first optional redemption date, the Series 2024 Bonds will be subject to optional redemption prior to maturity, at the election of the City, in whole or in part, with Series 2024 Bonds selected for redemption based on a Pro Rata Pass-Through Distributions of Principal, subject to the provisions described below under "Selection for Redemption", on any Business Day, in such order of maturity as directed by the City, at the Make-Whole Redemption Price. The City shall retain an independent accounting firm or an independent financial advisor to determine the Make-Whole Redemption Price, perform all actions, and make all calculations required to determine the Make-Whole Redemption Price. The Trustee and the City may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and its determination of, the Make-Whole Redemption Price, and neither the Trustee nor the City will have any liability for their reliance. The determination of the Make-Whole Redemption Price by such accounting firm or financial advisor shall be conclusive and binding on the Trustee, the City, and the holders of the Series 2024 Bonds.

"Business Day" means any day other than (A) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city or cities in which the Principal Office for Payment of the Trustee is located are authorized by law or executive order to close or (B) a day on which the New York Stock Exchange is closed.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by a Designated Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Series 2024 Bonds to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Series 2024 Bonds.

"Comparable Treasury Price" means, with respect to any redemption date, the average of the Primary Treasury Dealer Quotations for such redemption date or, if the Designated Investment Banker obtains only one Primary Treasury Dealer Quotation, such Primary Treasury Dealer Quotation.

"Designated Investment Banker" means a Primary Treasury Dealer appointed by the Board.

"Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of a Series 2024 Bond to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest (treating any principal scheduled to be paid after the first call date as if it were scheduled to mature on the first optional redemption date) of the Series 2024 Bond to be redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2024 Bond is to be redeemed), discounted to the date on which such Bond is to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the adjusted Treasury Rate plus fifteen (15) basis points, plus, in each case, accrued and unpaid interest on such Series 2024 Bond to, but excluding, the redemption date.

"Primary Treasury Dealer" means one or more entities appointed by the Board, which, in each case, is a primary U.S. Government securities dealer in The City of New York, New York, and its successors.

"Primary Treasury Dealer Quotations" means, with respect to each Primary Treasury Dealer and any redemption date, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Primary Treasury Dealer at 3:30 p.m. New York time on the third Business Day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Mandatory Redemption. The Series 2024 Bonds with maturity dates of September 1, 2044, 2049, and 2054 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2038	$2,410,000.00
2039	2,545,000.00
2040	2,690,000.00
2041	2,845,000.00
2042	3,010,000.00
2043	3,185,000.00
2044*	3,365,000.00

Redemption Date September 1	Principal Amount
2045	$3,560,000.00
2046	3,765,000.00
2047	3,985,000.00
2048	4,215,000.00
2049*	4,460,000.00

Redemption Date September 1	Principal Amount
2050	$4,720,000.00
2051	4,995,000.00
2052	5,285,000.00
2053	5,595,000.00
2054*	5,925,000.00

*Term bond, stated maturity.

Defeasance

If the principal or redemption price (as the case may be) of, and interest on, any of the Series 2024 Bonds issued hereunder has been paid, or provision has been made for the payment of the same in the manner stipulated therein and in the CFC Indenture, then such Series 2024 Bonds shall cease to be entitled to any lien, benefit or security of the CFC Indenture, and all covenants, agreements and obligations of the City with respect to payment of the Series 2024 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS

Pledged Revenues

The Series 2024 Bonds are limited obligations of the City, payable solely from and secured by a security interest in (i) the CFC Revenues and (ii) Deficiency Payments (the "Pledged Revenues"). The moneys and securities in all the funds and accounts established under the CFC Indenture, and any investment income therefrom, are pledged for the equal and proportionate benefit, security and protection of all bondholders. Each revenue source is described below.

CFC Revenues. The "CFC Revenues" are defined as the customer facility charges imposed by the City on rental car transactions occurring on or about the Airport and required to be collected by the City for the benefit of the Airport. Pursuant to the CFC Laws and the Concessionaire Agreements (defined below), the rental car companies (the "Concessionaires") are required to remit the CFCs to the City on a monthly basis. In accordance with the CFC Indenture, the City will transfer the CFC Revenues, together with interest earnings on such amounts, to the Trustee on or before the first day of each month, to be deposited in the Revenue Fund held by the Trustee.

The CFC Revenues are intended to be used only for the purposes set forth in the CFC Laws, unless such transfer is permissible under regulations governing the Airport and applicable accounting standards and does not cause a default in the obligations to pay debt service.

Effective as of January 1, 2024, the City imposes a CFC of $7.95 per transaction-day, limited to the first 14 transaction days per rental car customer contract. On April 30, 2024, the Boise City Council approved an increase to the CFCs from $7.95 to $8.95 per transaction day, effective October 1, 2024; and approved a further increase to $9.95 per transaction day, effective April 1, 2026. For further detail on historical rates, see "CUSTOMER FACILITY CHARGES AND RENTAL CARE OPERATIONS – Historical Rental Car Demand and the CFC Calculations" below.

Deficiency Payments. Pursuant to the Concessionaire Agreements, in certain circumstances resulting from a significant shortfall in rental car transactions and CFC Revenues, the Concessionaires may be required to make payments to the City to the extent necessary from time to time to permit the payment of all obligations payable pursuant to the CFC Indenture ("Deficiency Payments"). For further detail and discussion. see "CUSTOMER FACILITY CHARGES AND RENTAL CARE OPERATIONS – Concessionaire Agreements – Deficiency Payments" below.

Funds and Accounts. All moneys, if any, and all earnings on investment of the monies on deposit in the (i) Project Fund, (ii) Revenue Fund, (iii) Bond Fund, including the Capitalized Interest Account therein, (iv) Debt Service Reserve Fund, (v) Deficiency Reserve Fund, (vi) Expenses Fund, (vii) Repair and Replacement Fund, and (viii) Surplus Fund, including the Coverage Account therein (as all such funds are defined in the CFC Indenture) shall be applied to the payment of the Series 2024 Bonds and any other parity obligations issued under the CFC Indenture. For further description of the funds and for discussion of the timing and funding amounts, see "– Flow of Funds" below and "Appendix B – Form of CFC Indenture."

Pledged Funds and Accounts; Flow of Funds

Project Fund. Under the CFC Indenture, there is created, established and maintained a separate fund designated as the "Project Fund." Upon issuance of the Series 2024 Bonds, the CFC Indenture provides there shall be deposited into the Project Funds the amounts required by the CFC Indenture. Funds on deposit in the Project Fund shall be used for the payment of costs incurred or paid by the City in connection with the ConRAC Project, including reimbursement to the City for costs already paid, and for costs of issuing the Series 2024 Bonds.

Revenue Fund. Under the CFC Indenture, there is created, established and maintained a separate fund designated as the "Revenue Fund." Upon issuance of the Series 2024 Bonds, for so long as any obligations issued under the CFC Indenture are outstanding, all CFC Revenues shall be deposited in the Revenue Fund. On or before the first business day of each month (a "Deposit Date"), the Trustee shall transfer and deposit amounts then on deposit in the Revenue Fund in the following manner, as set forth in Section 3.4 of the CFC Indenture. These monthly transfer requirements, referred to herein as the "Flow of Funds", are described below:

> FIRST: to the Bond Fund equal monthly deposits in an amount sufficient to pay the debt service on the Series 2024 Bonds, and any other obligations issued under the CFC Indenture, if any, as such debt service becomes due taking into account on the first monthly Deposit Date following an interest and or principal payment date, any amount determined by the Trustee then on deposit in the Bond Fund to be available to pay interest and/or principal on the Series 2024 Bonds, and other outstanding obligations, if any on the next interest and/or principal payment.
>
> Deposits into the Bond Fund shall be discontinued at such time as there shall be credited to the Bond Fund and the Debt Service Reserve Fund for each obligation, including the Series 2024 Bonds, an aggregate amount sufficient to retire (by call or otherwise) at or before maturity all of the obligations of that series then outstanding and that amount so credited then shall be used solely for that purpose. On the date of issuance of the Series 2024 Bonds will be the only obligation outstanding under the CFC Indenture.
>
> SECOND: to the Debt Service Reserve Fund, the amounts, if any, necessary to restore the Debt Service Reserve Requirement, and provided that in any event any deficiency in the Debt Service Reserve Fund shall be restored within one year of its occurrence. The "Debt Service Reserve Requirement" means the amount of $6,272,974.30.
>
> THIRD: to the Expenses Fund such amount that the City determines is reasonably necessary to be deposited therein to provide for the purposes of paying fees and expenses of the Trustee, costs of CFC administration, costs of property insurance for the ConRAC Project (and Phase 2, if ever), insurance, or payments of rebate as may be required by the Internal Revenue Code of 1986, as amended, or, together with moneys on deposit in other applicable funds, to retire or call for redemption any obligations issued under the CFC Indenture, including but not limited to the Series 2024 Bonds.
>
> FOURTH: equal monthly deposits in an amount sufficient to satisfy the Repair and Replacement Fund Requirement. The "Repair and Replacement Fund Requirement" means an amount equal to $3,000,000, which will initially be funded by annual deposits aggregating $500,000 per Fiscal Year for the first six Fiscal Years, ***commencing after the earlier of the in-service date of the ConRAC Project or October 1, 2028***.

FIFTH: ***commencing the first Deposit Date following the in-service date of the Phase 2 the ConRAC Project***, to the Deficiency Reserve Fund equal monthly deposits in an amount sufficient to deposit twenty-five percent (25%) of the Maximum Annual Debt Service Requirements (as defined in the CFC Indenture) on the Series 2024 Bonds, and any other outstanding obligations issued under the CFC Indenture, over twelve (12) respective Deposit Dates. Once the Deficiency Reserve Fund is fully funded at an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirements, no further deposits shall be made into the Deficiency Reserve Fund, unless an Authorized Officer of the Issuer directs the Trustee in writing to replenish the Deficiency Reserve Fund in such amount (s) desired and specified in writing by the Issuer. ***To be clear, in the event the Deficiency Reserve Fund is fully funded to the amount set forth in the preceding sentence, and then such funds are drawn upon, the Deficiency Reserve Fund may be replenished by the Issuer at the written direction of an Authorized Officer of the Issuer, delivered to the Trustee***.

SIXTH: to the Surplus Fund all remaining CFC Revenues.

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A depiction of the Flow of Funds is provided in the following illustration:

Figure 28
Application of Revenues

Priority for Application		Held By	Pre-DBO of Phase 1	Pre-DBO of Phase 2	After DBO of Phase 2
	Revenue Fund Depository for Pledged Revenues (CFC Revenues and Deficiency Payments)	Trustee	No Deficiency Payments would be paid until DBO of Phase 1	Deficiency Payments to be paid by the rental car companies after DBO of Phase 1 (if needed)	
1	**Bond Fund** Payment of principal and interest on the Bonds	Trustee	No deposits until expiration of Capitalized Interest period for 2024 Bonds	Deposits necessary to pay scheduled interest and principal on the 2024 Bonds and any future Bonds issued under the CFC Trust Indenture	
2	**Debt Service Reserve Fund** Reserve for payment of debt service on the Bonds (a)	Trustee	Not applicable until expiration of Capitalized Interest period for 2024 Bonds	Deposits as necessary to replenish Debt Service Reserve Fund for the 2024 Bonds and any future Bonds issued under the CFC Trust Indenture (if any)	
3	**Expense Fund** Payment of Trustee fees, Bond administration fees, and rebates, as applicable	Trustee	Payment of Bond-related fees as needed		
4	**Repair & Replacement Fund** Reserve for rehabilitation and refurbishment of ConRAC facilities	City	No deposits through DBO of Phase 1	Deposits of $500,000 per year for 6 years commencing the earlier of the first full fiscal year after DBO of Phase 1, or FY 2028; replenishment thereafter as needed	
5	**Deficiency Reserve Fund** Reserve for reimbursement of rental car companies for any Deficiency Payments they may make	Trustee	No deposits through DBO of Phase 2		Deposits up to 25% of Maximum Annual Debt Service (MADS) on the 2024 Bonds; replenishments may be made at City's discretion
6	**Surplus Fund** Remaining funds available for any Airport rental car purpose	City	Balances in the Surplus Fund used for development costs of Phase 1 and Phase 2 (through DBO of Phase 2)		Available for any Airport rental car purpose at the discretion of the City (b)
6A	**Coverage Account** Reserve within the Surplus Fund to demonstrate rolling coverage on the 2024 Bonds	City	No deposits through DBO of Phase 1	Funded at 25% of MADS over a 12-month period after expiration of capitalized interest period on the 2024 Bonds	At DBO of Phase 2, Coverage Account balance to be transferred to Trustee for deposit to Deficiency Reserve Fund

(a) The Debt Service Reserve Fund to be initially funded from 2024 Bond proceeds.
(b) Including accelerated debt service payments, Deficiency Payment reimbursement to the rental car companies, O&M expenses for the ConRAC facility, or any other lawful Airport rental car-related purpose. Per the New RAC Agreement, City would apply 25% of any remaining funds available on an annual basis for deposit to the Surplus Fund to the repayment of unreimbursed Deficiency Payments that the rental car companies may have made in the past, without interest.
Source: CFC Trust Indenture; New RAC Agreement.

Source: Appendix A – "Report of the Airport Consultant"

Bond Fund. Under the CFC Indenture, there is created, established and maintained a separate fund designated as the "Bond Fund." Amounts on deposit in the Bond Fund shall be used to make principal and interest payments on the Series 2024 Bonds and any other obligations issued under the CFC Indenture.

There is also created a "Capitalized Interest Account" within the Bond Fund. With respect to the Series 2024 Bonds, upon issuance thereof, the CFC Indenture provides there shall be deposited into the Capitalized Interest Account the amount of $8,252,225.36 to be applied to accrued interest of the Series 2024 Bonds. Interest on the Series 2024 Bonds shall be capitalized through the estimated in-service date of the ConRAC Project, April 1, 2026.

Debt Service Reserve Fund. Under the CFC Indenture, there is created, established and maintained a separate fund with the Trustee as a trust fund, designated as the "Debt Service Reserve Fund, Series 2024" (the "Debt Service Reserve Fund"). The Debt Service Reserve Fund will be funded on the date of closing in an amount equal to the Maximum Annual Debt Service Requirements on the Series 2024 Bonds, plus any additional bonds, which may be in the form of cash or Permitted Investments or a Reserve Fund Insurance Policy (the "Reserve Fund Requirement"). Any money that is held in the Debt Service Reserve Fund shall be held in trust for the payment when due of Series 2024 Bond Payments. If the money on hand in the Bond Fund three Business Days prior to any Payment Date is not sufficient to pay the Bond Payment then due, the Trustee shall draw upon the balance in the Debt Service Reserve Fund in order to pay the Bond Payment when due. If there is a deficiency in the Debt Service Reserve Fund as a result of a withdrawal from the Debt Service Reserve Fund, the City is required to make up the deficiency prior to the next Payment Date. See "– Flow of Funds" above.

Deficiency Reserve Fund. Under the CFC Indenture, there is created, established and maintained a separate fund designated as the "Deficiency Reserve Fund." There shall be deposited into the Deficiency Reserve Fund, as and when received all moneys transferred from the Revenue Fund to the Expenses Fund in accordance with the Flow of Funds above, pursuant to the CFC Indenture, and all other moneys received by the Trustee when accompanied by written directions from the City not inconsistent with the CFC Indenture that such moneys are to be paid into the Deficiency Reserve Fund. Moneys in the Deficiency Reserve Fund shall be paid to the Bond Fund, to the extent necessary from time to time, to permit the payment of all obligations payable from the Bond Fund without drawing on the Debt Service Reserve Fund. If funds in the Deficiency Reserve Fund are fully drawn, the Deficiency Reserve Fund may be replenished by the Issuer at the written direction of an Authorized Officer of the Issuer to the Trustee, pursuant to Section 3.4 of the CFC Indenture. Funds held in the Deficiency Reserve Fund in excess of 25% of the Maximum Annual Debt Service Requirement may be used by the Issuer for any other lawful purpose so long as related to the ConRAC Project, upon the written direction of an Authorized Officer of the Issuer to the Trustee.

Expenses Fund. Under the CFC Indenture, there is created, established and maintained a separate fund designated as the "Expenses Fund." There shall be deposited into the Expenses Fund, as and when received all moneys transferred from the Revenue Fund to the Expenses Fund in accordance with the Flow of Funds above, pursuant to the CFC Indenture, and all other moneys received by the Trustee when accompanied by written directions from the City not inconsistent with the CFC Indenture that such moneys are to be paid into the Expenses Fund. Moneys in the Expenses Fund shall be used for fees and expenses of the Trustee, costs of CFC administration, costs of ConRAC Project or Phase 2, property insurance, or payments of rebate amounts to the United States, if applicable, or, with moneys in the Bond Fund, the Debt Service Reserve Fund, and the Deficiency Reserve Fund, and other moneys made available by the City to retire by purchase for cancellation or by call for redemption, all or part of the Bonds from time to time outstanding. Otherwise, moneys in the Expenses Fund may be paid to the Bond Fund, to the extent necessary from time to time, after applying to that purpose any moneys then in the

Deficiency Reserve Fund, to permit the payment of all obligations payable from the Bond Fund without drawing on the Debt Service Reserve Fund.

Repair and Replacement Fund. Under the CFC Indenture, there is created, established and maintained a separate fund designated as the "Repair and Replacement Fund." There shall be deposited into the Repair and Replacement Fund as and when received all moneys transferred from the Revenue Fund to the Repair and Replacement Fund in accordance with the Flow of Funds above, pursuant to the CFC Indenture, and all other moneys received by the Trustee when accompanied by written directions from the City not inconsistent with the CFC Indenture that such moneys are to be paid into the Repair and Replacement Fund. There shall also be retained in the Repair and Replacement Fund, interest and other income received on investment of moneys in the Repair and Replacement Fund to the extent provided in the CFC Indenture. Any amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement may be transferred by the Trustee to the Bond Fund, as provided by the written direction of an Authorized Officer of the City to the Trustee, and applied to the payment of the interest on the Bonds; provided, however, that the amount remaining in the Repair and Replacement Fund immediately after such transfer shall not be less than the Repair and Replacement Fund Requirement.

Surplus Fund. Under the CFC Indenture, there is created, established and maintained a separate fund designated as the "Surplus Fund" and therein a separate account to be held by the City to be designated as the "Coverage Account." There shall be deposited into the Surplus Fund, as and when received, moneys transferred from the Revenue Fund to the Surplus Fund at the written direction of an Authorized Officer of the Issuer to the Trustee, pursuant to Section 3.4 of the CFC Indenture. Funds in the Surplus Fund may be used for (i) costs of the ConRAC Project and Phase 2 construction costs, if applicable, and (ii) any other lawful Airport rental car purpose in accordance with the CFC Indenture, as further detailed in the Flow of Funds above. Upon the balance of funds on deposit in the Capitalized Interest Account within the Bond Fund being fully drawn, the City shall fund the Coverage Account within the Surplus Fund in an amount sufficient to deposit twenty five percent (25%) of the Maximum Annual Debt Service Requirements on the Bonds then Outstanding in equal amounts over twelve (12) months.

Rate Covenant

Under the CFC Indenture, for so long as any obligations issued under the terms of the CFC Indenture remain outstanding, the City is obligated to set rates and charges sufficient to produce Pledged Revenues at least equal to 125% of all debt service requirements for the applicable Fiscal Year (the "Rate Covenant").

Further, the City has covenanted that rates and charges for services rendered by the City related to the CFC Facilities (as defined in the CFC Indenture) shall be reasonable and just, taking into account the cost and value of the CFC Facilities, operation and maintenance expenses, possible delinquencies, proper allowances for depreciation, contingencies, and the amounts necessary to meet all debt service requirements. There may be no reduction to the CFC unless:

1. The City has certified to the Trustee its compliance with the provisions of the CFC Indenture for at least one (1) fiscal year immediately preceding such reduction; and

2. The audits for the full one (1) Fiscal Year immediately preceding such reduction disclose that the estimated said Pledged Revenues resulting from the proposed rate schedule, will be sufficient to meet the Rate Covenant; or

3. A reduction is accomplished in accordance with the Issuer's agreements with rental car companies serving the Airport, provided that no such reduction will be permitted if such reduction will produce Pledged Revenues less than required to comply with the Rate Covenant.

The Trustee is under no duty to monitor the City's compliance with these covenants.

Parity Debt

Upon issuance of the Series 2024 Bonds, the Airport will not have any outstanding obligations on a parity with the Series 2024 Bonds.

Issuance of Additional Obligations Secured by Pledged Revenues

In the CFC Indenture, the City reserves the right to issue additional obligations on parity to the Series 2024 Bonds or subordinate to the Series 2024 Bonds (collectively, the "Bonds"). The City shall not issue any bond or other obligation having a lien prior and superior to the lien of the CFC Indenture, except in the case of refunding Bonds.

Parity Bonds. As a condition of issuing additional parity Bonds, the City must demonstrate:

1. The City is not, and has not been in default of the CFC Indenture during the Fiscal Year immediately preceding the issuance of such additional parity Bonds, or if the CFC Indenture has not been outstanding for a full fiscal year, then for the longest period of time the CFC Indenture has been outstanding and the amount in the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Requirement, and the City has maintained Pledged Revenues at least equal to 125% of the debt service requirements for at least the preceding 12 months; and

2. Either of the following: (a) a Consultant's Report shows that Pledged Revenues projected for the life of the additional parity Bonds (and covering at least five (5) Fiscal Years following completion of the proposed project) will be at least equal to 125% of the debt service requirements on the outstanding Bonds and on any additional obligations proposed to be issued (excluding reserves) for the said period; or (b) a written certificate by the City that the Pledged Revenues derived from the operation of the ConRAC Project for any period of twelve (12) consecutive months during the twenty-four (24) months immediately preceding the date of the supplemental ordinance or other document authorizing the issuance of any such Bonds shall have been sufficient to pay an amount representing 125% of the debt service requirements on the outstanding obligations constituting a lien upon Pledged Revenues and on the Series 2024 Bonds proposed to be issued (excluding reserves) for the said period; and

In calculating the Pledged Revenues to meet the requirements in above, the City may take into consideration changes in Pledged Revenues estimated to occur under one or more of the following conditions for each year after delivery thereof for so long as the Series 2024 Bonds and any additional parity Bonds shall be outstanding:

(i) Any increase or decrease in Pledged Revenues which would result from any change in rates or charges adopted prior to the issuance of the additional parity Bonds; and/or

(ii) Any increase or decrease in Pledged Revenues estimated to result from any additions, betterments, and improvements to, and extensions of any facilities of the ConRAC Project, including Phase 2, which (i) became fully operational during such twelve (12) month period; (ii) were under construction at the time of the issuance of the additional parity Bonds; or (iii) will be constructed from the proceeds of the additional parity Bonds proposed to be issued.

3. Each such additional obligation shall be secured by a cash reserve fund or Reserve Account Credit Enhancement (as defined in the CFC Indenture) in an amount sufficient to cause to be on

deposit an amount equal to the Reserve Requirement on the Series 2024 Bonds and any additional parity Bonds.

Subordinate Obligations. The City may issue other obligations having a lien on Pledged Revenues subordinate to the lien of the CFC Indenture.

Refunding Obligations. The City may refund any outstanding obligations having a lien upon Pledged Revenues, including the Series 2024 Bonds, on a parity with the Series 2024 Bonds if (1) the lien of the refunding obligations is on a parity with the lien created by the CFC Indenture and (2) the total Debt Service is reduced by the refunding as certified by the City or if the total Debt Service is not reduced the City shall comply with the requirements for issuance of additional parity obligations described above.

Debt Payment Record

Since its creation, the City has not been in default in the payment of principal of or interest on any of its indebtedness or in any other material respect, nor have any material agreements or legal proceedings with respect thereto been declared invalid or unenforceable.

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BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2024 Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Series 2024 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due as set forth in the form of the Policy included as an exhibit 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.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2024 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2024 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Series 2024 Bonds 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 Policy), and BAM does not guarantee the market price or liquidity of the Series 2024 Bonds, nor does it guarantee that the rating on the Series 2024 Bonds will not be revised or withdrawn.

Capitalization of BAM. BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $483.2 million, $221.8 million and $261.4 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2024 Bonds or the advisability of investing in the Series 2024 Bonds. In addition, BAM 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 BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

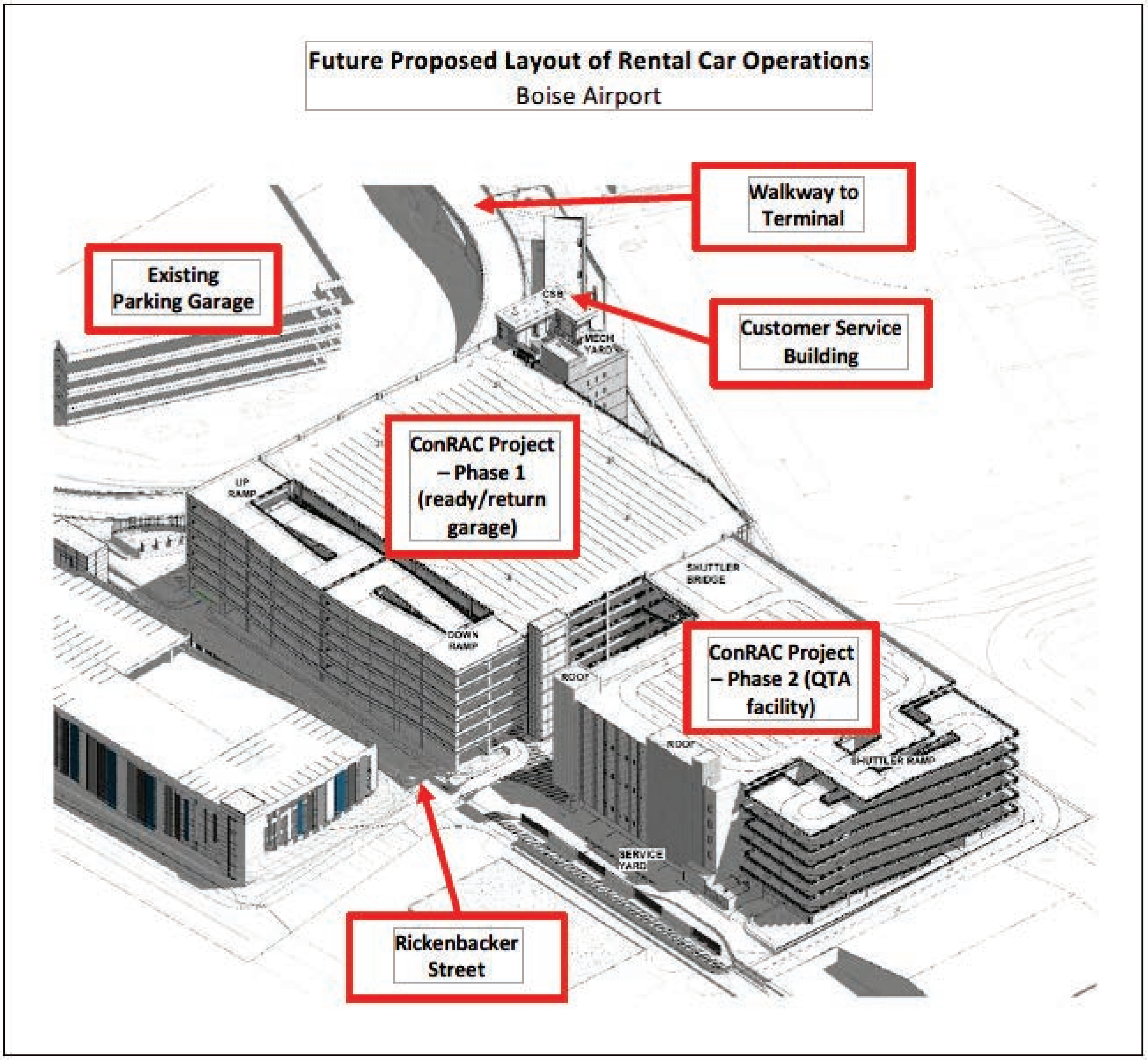
Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Series 2024 Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Series 2024 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Series 2024 Bonds, whether at the initial offering or otherwise.

THE CONRAC PROJECT

The improvements to the rental car facilities at the Airport are expected to occur in two phases. The Series 2024 Bonds are being issued for the purpose of financing a portion of the first phase (such phase one referred to herein as the "ConRAC Project"). ***Phase 2 is not guaranteed to occur***.



Description of the ConRAC Project

The ConRAC Project is being undertaken to (i) enhance the operational effectiveness of rental car operations at the Airport, providing a more streamlined and seamless experience for those wishing to rent a vehicle at the Airport; (ii) meet current and anticipated demand for rental cars at the Airport; and (iii) enable the future development of passenger terminal facilities at the Airport, namely the construction of a new concourse.

The ConRAC Project consists of a new seven-level ready/return garage, a connected rental car customer service building (the "CSB"), and enclosed passenger walkway connecting to the terminal building, and surrounding site improvements. The total land area of the facility is approximately 164,000 square feet on the former Idaho Transportation Department hangar site. Elements of the ConRAC Project include:

- A seven-level parking garage totaling 550,000 square feet, with approximately 1,300 parking stalls (1,000 ready/return spaces and 300 vehicle storage spaces)

- Ready/return and staging areas for the rental car companies, with each company to be assigned a block area on single or multiple levels

- A 20,000 square foot customer service building, with stairways and elevators to the garage areas

- A vehicle ramp to the garage directly of Rickenbacker Street, and

- A 4,000 square foot covered walkway connecting the new rental car garage to the west end of the passenger terminal building, in the vicinity of the baggage claim area, allowing rental car customers to retrieve their checked luggage and then walk directly to the customer service building to check in and rent vehicles.

Costs of the ConRAC Project; Construction Manager at Risk

The total cost of designing, constructing, and equipping the ConRAC Project is currently estimated to be approximately $110 million, with construction having commenced in April 2024. Through a qualifications-based proposal and selection process, the City selected McAlvain Companies, Inc. (the "Contractor") as the "construction manager at risk" basis to complete the construction work for the ConRAC Project. The ConRAC Project will consist of a "construction manager at risk" agreement with three guaranteed maximum price ("GMP") contracts. The City executed an AIA Agreement Between Owner and Construction Manager as Constructor, dated October 2023 (the "Construction Manager Agreement"), a Guaranteed Maximum Price Amendment, dated November 2023 (the "GMP Contract 1"), a Guaranteed Maximum Price Amendment, dated January 2024 (the "GMP Contract 2") and a Guaranteed Maximum Price Amendment, dated April 2024 (the "GMP Contract 3" and together with Construction Manager Agreement, GMP Contract 1, and GMP Contract 2, collectively, the "Construction Contract").

GMP Contract 1 was executed for $16,277,832 and covers the costs of utility relocation, excavation, road improvement, building demolition, soil improvements and other fixed job specific expenses to support construction activities for the duration of the ConRAC Project. GMP Contract 2 was executed for $7,055,556 and covers foundations and procurement of long-lead time items, such as elevators, electrical and structural steel. GMP Contract 3 was executed for $64,696,842 and covers the alternate ramp, the ready/return garage, the customer service building, the connecting walkway, generators, and canopy demolition. The total of the three GMP Contracts for the ConRAC Project is $88,030,230.

Certain additional costs of the ConRAC Project in the amount of $21,969,770 are outside the scope of the guaranteed maximum price of the Construction Contract.

The primary funding sources for the ConRAC Project are expected to be (1) proceeds from the sale of the Series 2024 Bonds, (2) accumulated CFC Revenues collected through the in-service date on a pay-as-you-go basis, and (3) CFC cash balances on hand. As of March 1, 2024, the City has a balance of $17.1 million. As of March 1, 2024, the City has paid approximately $10.4 million on the ConRAC Project.

The following table sets forth the estimated sources of funding for the ConRAC Project:

ESTIMATED PHASE 1 PROJECT COSTS AND FUNDING		
Planning, design, and pre-construction activities	$	10,718,320
Construction		
GMP Contract 1	$	16,277,832
GMP Contract 2		7,055,556
GMP Contract 3		64,696,842
	$	88,030,230
Inspections, testing, commissioning		3,069,129
Power and utilities		637,354
Canopy demolition		1,000,000
Boise City IT infrastructure		750,000
Other miscellaneous items		56,138
Escalation allowance		3,228,336
Contingencies		2,510,493
Total estimated costs	**$**	**110,000,000**
Amount spent through 3/1/24		10,441,199
Estimated expenditures remaining (FY 2024 to FY 2026)	**$**	**99,558,801**
SOURCES OF FUNDS FOR PHASE 1		
2024 Bond net proceeds	$	70,000,000
CFC cash (pay-as-you-go) (a)		40,000,000
Total estimated funding sources	**$**	**110,000,000**

(a) Including $10.4 million spent as of March 1, 2024.
Source: Boise Airport, May 2024.

Source: APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" ; The Airport.

Description of Construction Contract

The following is a brief description of certain provisions of the Construction Contract. Such description does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the full Construction Contract.

General. Through a qualifications-based proposal and selection process, the City selected McAlvain Companies, Inc. (the "Contractor") as the "construction manager at risk" basis to complete the construction work for the ConRAC Project. The ConRAC Project will consist of a "construction manager at risk" agreement with three guaranteed maximum price ("GMP") contracts. The City executed an AIA Agreement Between Owner and Construction Manager as Constructor, dated October 2023 (the

"Construction Manager Agreement"), a Guaranteed Maximum Price Amendment, dated November 2023 (the "GMP Contract 1"), a Guaranteed Maximum Price Amendment, dated January 2024 (the "GMP Contract 2") and a Guaranteed Maximum Price Amendment, dated April 2024 (the "GMP Contract 3" and together with Construction Manager Agreement, GMP Contract 1, and GMP Contract 2, collectively, the "Construction Contract").

Term. Construction is currently expected to be completed April 28, 2026. In the event the Contractor does not achieve substantial completion by such date, the Construction Contract imposes liquidated damages in the amount of $3,000 per calendar day, which shall remain constant through all GMP amendments, until completion of the project.

Insurance Requirements. Contractor shall maintain commercial general liability insurance, providing coverage for claims including Contractors' indemnity obligations under the Construction Contract. Contractor shall maintain automobile liability insurance covering vehicles owned or operated by the Contractor, for bodily injury, death of any person and property damage arising out of the ownership, maintenance, and use of those motor vehicles. Contractor must also maintain employers' liability insurance, professional liability insurance, property insurance on an "all-risks" completed value form.

Other Material Provisions. Contractor must provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in Boise, Idaho. Pursuant to the Construction Contract, the Contractor shall provide a Payment Bond and a Performance Bond at 100% of the total contract price.

Contractor. McAlvain Companies, Inc. is an Idaho-born construction firm headquartered in Boise, Idaho, with whom the City has previously worked with on several Airport projects. The Contractor is one of the largest construction organizations in the country, with revenues exceeding $2 billion per year. The Contractor has provided construction management, general contracting, design build and concrete services throughout the western United States since 1980. They have over a $2 billion bonding line.

Phase Two of Rental Car Improvements

The second phase of improvements to the rental car facilities at the Airport ("Phase 2") involves the development of quick turnaround ("QTA") facilities adjacent to the new rental car parking garage being constructed as part of the ConRAC Project. The land required for Phase 2 is currently being leased to another Airport tenant and will not be available for Phase 2 until June 2027 at the earliest. Further, Phase 2 is subject to the continued growth of rental car activity of the Airport, the ability of Airport management to increase the CFCs needed to provide adequate debt service coverage for an additional series of Bonds under the CFC Indenture, and general financial market conditions. According to Airport management, Phase 2 does not need to occur to allow adequate rental car operations at the Airport on a continuing basis. Until Phase 2 occurs and enters service, the Concessionaires operating at the Airport will continue to operate from their existing QTA facilities, which is less operationally efficient than having the QTA facilities adjacent to the rental car garage.

REPORT OF THE AIRPORT CONSULTANT

Airport Consultants

The Report of the Airport Consultant dated May 14, 2024 (the "Report") included as Appendix A to this Official Statement was prepared by LeighFisher (the "Airport Consultant") in connection with the issuance of the Series 2024 Bonds. The Report should be read in its entirety for an understanding of the information and underlying assumptions.

Content

The Report is being prepared in conjunction with the delivery of the Series 2024 Bonds to demonstrate the sufficiency of the CFC Revenues in meeting the debt service requirements of the Series 2024 Bonds and other contemplated additional Bonds. Accordingly, its findings specifically address the Series 2024 Bonds; however, the Report also contains general information relating to the operation of the Airport, air service at the Airport, and the rental car market generally.

The Report describes the economic base supporting the rental car market at the Airport, uses an econometric model to set forth trends and forecasts in the rental car demand at the Airport, forecasts the level of enplanements and visiting passengers at the Airport, describes various factors which could have an impact on the rental car demand at the Airport and discusses the financial framework for the Series 2024 Bonds, including preliminary projections of annual debt service requirements with respect to the Series 2024 Bonds, CFC calculations, projections of CFCs pursuant to the CFC Indenture, cash flow projections and rate covenant calculations. The Report should be read in its entirety for a complete understanding of the assumptions and rationale underlying the financial forecasts contained therein.

The City is under no obligation to update the Report, nor is it required at any time in the future to obtain another such report relating to the Airport and its outstanding or proposed debt, In addition, the contents of the Report are not subject to the City's continuing disclosure requirements. See "Appendix D – Form of Continuing Disclosure Agreement" for such requirements.

Assumptions Underlying Financial Forecasts

The financial forecasts in the Report are based on information and assumptions that were provided by, or reviewed with and agreed to by, the City's Aviation Division. Accordingly, the forecasts reflect the City's expected course of action during the projection period and, in the City's judgement, present fairly the expected financial results of the ConRAC Project. The key factors and assumptions that are significant to the forecasts are set forth in the attachment titled "Background, Assumptions and Rationale for the Financial Forecasts." The forecasts described in the Report address Phase 1 of the ConRAC project only, and do not incorporate the second phase of the project. The Report should be read in its entirety for an understanding of the information and underlying assumptions.

The Report has been included in reliance upon the knowledge and experience of the Airport Consultant. APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides more detailed information on the Series 2024 Bond debt service requirements, historical and projected CFC Revenues, and projected debt service coverage.

RENTAL CAR OPERATIONS AND CUSTOMER FACILITY CHARGES AT THE AIRPORT

Rental Car Operations

Currently, rental car operations at the Airport consist of a 12,000 square foot area within the terminal that includes customer queuing, customer service desks, and office areas for each of the Concessionaires. The customer service area is located at the east end of the first level of the terminal. Access to the ready/return lot is at the west end of the terminal, just beyond baggage claim. The current ready/return lot consists of 458 stalls and kiosks for the different Concessionaires. The City has executed Automobile Rental Concession Agreements with three companies (collectively, the "Existing Agreements") covering eight different rental car brands to operate rental car concessions at the Airport. See " – Concessionaire Agreements" below for breakdown.

The Existing Agreements became effective on October 1, 2021 and expire on September 30, 2026, with earlier termination in the event the ConRAC Project is placed in service before September 30, 2026, which is currently expected. Under the Existing Agreements, the City receives privilege fees of 10% of gross revenues subject to a minimum monthly guarantee, plus terminal rent and ground rentals. For purposes of this Official Statement, such fees retained under the Existing Agreements will be considered part of the CFC Revenues.

Concessionaire Agreements

On May 21, 2024, the Boise City Council is expected to approve Non-Exclusive On-Airport Vehicle Rental Services Concession and Lease Agreements Boise Airport, each of which have been executed by all parties (collectively the "Concessionaire Agreements"), with the rental car companies currently operating at the Airport, which include: (i) Avis Budget Car Rental LLC (operating the Avis and Budget rental car brands); (ii) Enterprise Rent-A-Car Company of UT, LLC (operating the Enterprise, Alamo, and National rental car brands); and (iii) Overland West, Inc. (operating the Hertz, Dollar and Thrifty rental car brands under license from the Hertz Corporation). An additional rental car company, Sixt Rent a Car has also signed a Concessionaire Agreement and plans to enter the Airport rental car market once the ConRAC Project is placed in service.

General Terms. The Concessionaire Agreements extend for a term of 30 years from the date of issuance of the Series 2024 Bonds, and govern, among other matters, the following:

- Permitted uses of the ConRAC Project by the Concessionaires;
- The space to be occupied by each Concessionaire;
- The conditions under which space may be reallocated from one Concessionaire to another;
- Maintenance and operating responsibilities of the City and the Concessionaires;
- Environmental requirements; and
- The calculation of rentals, fees and charges to be paid by the Concessionaires, including the obligation to collect and remit CFCs to the City or the Trustee, and to make Deficiency Payments, as applicable.

As set forth in the Concessionaire Agreements, the Concessionaires must collect and remit to the Trustee on behalf of the City, CFCs paid by customers for automobiles delivered to, rented at, or picked up at the Airport. Pursuant thereto, the City may, at its sole discretion, increase the CFC from time to time and a Deficiency Payment may be required from the Concessionaires in response to significant shortfall in rental car transactions and CFC revenues.

Deficiency Payments. In any agreement year, in the event that Mandatory Eligible Costs (as defined in the Concessionaires Agreements) exceed the total CFC Revenues collected by the City, Concessionaires will be required to pay their market share percentage of the CFC deficiency, reduced by the amount, if any, in the Deficiency Reserve Fund (the "Deficiency Payments"). Such Deficiency Payments will be estimated based on forecasted transaction days for such year and will be paid in monthly installments concurrently with rent as provided in the Concessionaire Agreements. In the event Mandatory Eligible Costs exceed the total of CFC Revenues, amounts available in the Deficiency Reserve Fund, and Deficiency Payments from such year, the Concessionaires will pay to the City their market share percentage of any such deficiency (the "Concessionaire's Deficiency True-up").

Customer Facility Charges

CFC Revenues consist of the per rental car transaction day fees collected from rental car customers, and accounted for and remitted by the Concessionaires to the Airport, as originally approved by the City in 2003, and subsequently amended on several occasions as shown in the table below.

HISTORICAL CFC LEVEL

CFC charge effective date	CFC per transaction-day
July 1, 2003	$1.20
May 1, 2020	3.25
September 1, 2021	4.25
July 1, 2022	6.00
April 1, 2023	6.50
January 1, 2024	7.95

Source: Boise Airport.

Source: APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" ; The Airport.

Rental Car Transactions and CFC Collections

Rental car transactions steadily increased between Fiscal Year 2017 and Fiscal Year 2019; however, rental car transactions were substantially impacted during Fiscal Year 2020 and Fiscal Year 2021 due to the COVID-19. Transaction levels began to recover in Fiscal Year 2022 and increased further in Fiscal Year 2023. Rental car transaction days have also increased and in Fiscal Year 2023 totaled 914,747, reflecting continued recovery from the impacts of COVID-19.

During Fiscal Year 2022, CFC Revenues totaled approximately $3.8 million, and in Fiscal Year 2023, CFC Revenues totaled approximately $5.7 million. The following table shows projected rental car transaction days and projected CFC Revenues.

Rental Car Transactions and CFC Collections

	Actual		Forecast						
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Rental car transaction days	851,824	914,747	953,016	981,950	1,010,884	1,039,819	1,068,753	1,097,687	1,126,621
Percent change		*7.4%*	*4.2%*	*3.0%*	*2.9%*	*2.9%*	*2.8%*	*2.7%*	*2.6%*
CFC per transaction day (a)	$4.25/$6.00	$6.00/$6.50	$6.50/$7.95	$8.95	$8.95/$9.95	$9.95	$9.95	$9.95	$9.95
CFC Collections	**$ 4,084,000**	**$ 5,735,377**	**$ 7,231,009**	**$ 8,788,453**	**$ 9,552,854**	**$ 10,346,199**	**$ 10,634,092**	**$ 10,921,986**	**$ 11,209,879**
Percent change		*40.4%*	*26.1%*	*21.5%*	*8.7%*	*8.3%*	*2.8%*	*2.7%*	*2.6%*

(a) The CFC per transaction day rate was increased from $4.25 to $6.00 on July 1, 2022; to $6.50 on April 1, 2023; and to $7.95 on January 1, 2024. The CFC per transaction day is assumed to increase further to $8.95 on October 1, 2024, and to $9.95 on opening day of Phase 1 (4/1/26).

Source: Actual data - Boise Airport.

Source: APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT"; The Airport

For a further description of the rental car demand at the Airport, as well as discussion of the forecasted rental car demand and the related CFC Revenues, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

PROJECTED CFC REVENUES AND DEBT SERVICE COVERAGE RATIOS

Compliance with Covenants to Maintain Rates and Collections

The following table presents the calculation of forecast debt service coverage in accordance with the Rate Covenant of the CFC Indenture in each year through Fiscal Year 2030. Debt service coverage on a cash flow basis is forecast to range between 1.45 times and 1.54 times during Fiscal Year 2027 through Fiscal Year 2030, thereby forecasting the Rate Covenant of the CFC Indenture will be met in each Fiscal Year of the forecast period.

Compliance with Covenants to Maintain Rates and Collections

	Forecast						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues							
CFC Collections	$ 7,231,009	$ 8,788,453	$ 9,552,854	$ 10,346,199	$ 10,634,092	$ 10,921,986	$ 11,209,879
Deficiency payments	-	-	-	-	-	-	-
	$ 7,231,009	$ 8,788,453	$ 9,552,854	$ 10,346,199	$ 10,634,092	$ 10,921,986	$ 11,209,879
Aggregate Debt Service	-	-	2,561,244	7,146,985	7,285,785	7,284,802	7,283,396
Coverage Account plus Deficiency Fund balances (end of year)	-	-	-	1,857,875	1,895,033	1,932,933	1,952,263
Debt Service Coverage - cash flow basis	-	-	3.73	1.45	1.46	1.50	1.54
Debt Service Coverage requirement			*1.25*	*1.25*	*1.25*	*1.25*	*1.25*
Debt Service Coverage including Coverage Account & Deficiency Fund balances		-	3.73	1.71	1.72	1.76	1.81

Source: APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" – Exhibit F

AIRPORT COMMISSION

An eight-member commission (the "Airport Commission") oversees the administration and operation of the Airport. The members are appointed by the Mayor with the consent of the City Council. Ex-officio members, consisting of the Mayor and the member(s) of the City Council, are assigned as liaisons to the Airport Commission. The term of office is five years; one term expires each year. The chairman, vice chairman and secretary to the Airport Commission are selected by its members. The secretary need not be a member of the Airport Commission. The Airport Commission performs only an advisory role with respect to the City's indebtedness for the Airport; under the Idaho Municipal Revenue Bond Act, the power to incur indebtedness for the Airport is reposed in the City Council.

Boise Airport Commissioners

Jamie Boesiger. Jamie Boesigner is a commercial backcountry and corporate pilot and is an active member of the general aviation community at the Airport. Mr. Boesiger was appointed to the Airport Commission in 2018.

Carrie Westergard. Carrie Westergard is an accomplished professional with over 25-years of tourism and hospitality experience. Westergard is currently the Executive Director of the Boise Convention and Visitors Bureau and was appointed to the Airport Commission in 2022.

Meg Carlson. Meg Carlson has an extensive background in strategic business development and general management gained through more than 30 years of experience in corporate management. Carlson was appointed to the Airport Commission in 2008.

John Cunningham. John Cunningham is the CEO of Block 22 LLC where he oversees the business operations of some of Downtown Boise's most well-established properties. He was appointed to the Airport Commission in 2022.

Brigadier General Tim Donnellan. Brig Gen Tim Donnellan is the Assistant Adjutant General for the Idaho Air National Guard at Gowen Field. He is also a Combat Veteran A-10 "Thunderbolt II" pilot. Brig Gen Donnellan was appointed to the Airport Commission in 2022.

Garrett Nancolas. Garrett Nancolas was mayor of the city of Caldwell for 24 years, the longest-serving mayor in the city's history. Mayor Nancolas was appointed to the Airport Commission in 2016.

Bill Vasconcellos. Bill Vasconcellos has been a Senior Vice President of Wealth Management at UBS Financial Services since 2009. He holds a B.A. in Economics from Stanford and a J.D. from UC Berkeley School of Law. Vasconcellos was appointed to the Airport Commission in 2014.

Miles Conklin. Miles Conklin earned his pilot license on his 17th birthday and already boasts an impressive array of endorsements, including glider solo, powered solo, and tailwheel. Miles, a senior at Boise High School, joined the Airport Commission in 2023 as a student commissioner with a one-year term.

The Airport Commission aids in the orderly and efficient administration and operation of the Airport in its primary role as advisor to the Airport Director and the City Council and has several enumerated powers delegated to it by City ordinance. Additionally, the Mayor's office selects a "Youth Commissioner" each year to serve during the school year, September through May, Currently being served by Boise High School senior, Miles Conklin.

Airport Management

Rebecca Hupp - Airport Director. The Airport Director manages and supervises the Airport and collects any and all fees due the City for the use of the Airport. The Airport Director also performs such other duties, as provided by State law, rules and regulations or by direction of the Mayor and City Council.

Ms. Hupp serves as the Airport Director. An accredited member of the American Association of Airport Executives ("AAAE"), Ms. Hupp has almost 20 years of professional airport management experience at airports ranging from large hub to small hub. Prior to commencing her position at the Airport in April of 2012, Ms. Hupp served as director of Bangor International Airport in Bangor, Maine. Ms. Hupp previously served as President of the Northeast chapter of the AAAE.

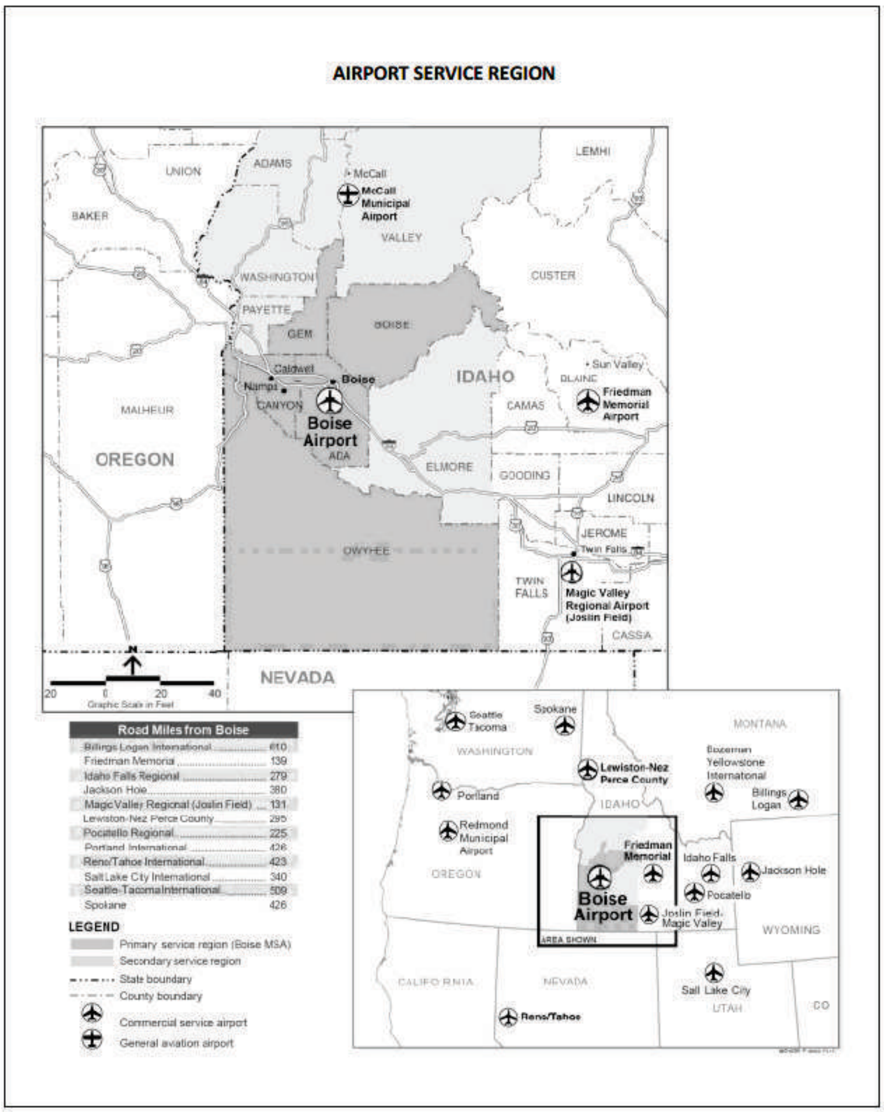
Kathleen Watkins - Deputy Director of Finance. Kathleen Watkins has been serving as the Deputy Director of Finance & Administration since December 2018. Ms. Watkins previously worked for the State as Chief Financial Officer leading the accounting, purchasing and payroll functions for the Idaho Career & Technical Education and Idaho Division of Building Safety. She has over 15 years experience as an auditor for government agencies and federal programs.

THE AIRPORT

The Airport has been municipally owned and operated since 1939. The Airport is a division of the City of Boise Department of Aviation and Public Transportation. As is shown in the illustration below, the Airport is located approximately three miles southwest of the business center of the City near Interchange No. 53 on U.S. Interstate 84, which serves as the principal highway corridor through the Boise MSA and is the principal interstate route between Portland, Oregon and Salt Lake City, Utah. Ground transportation to and from the Airport is provided by private passenger vehicles, taxis and limousine services.

Service Area

The primary geographical area served by the Airport consists of Ada, Boise, Canyon, Gem and Owyhee counties (the "Primary Service Area"). The population of the Boise MSA was 811,336 in 2022, accounting for approximately 42% of Idaho's total population of 1.9 million. Ada County includes the City of Boise and accounts for approximately 64% of the population of the Boise MSA. The secondary region served by the Airport, which had a population of 84,700 in 2022, is defined by the location of and the airline services offered at, other nearby air carrier airports in Idaho.



The nearest airports with scheduled air carrier service to the Airport are in Hailey and Twin Falls, Idaho, more than 130 miles from Boise, and offered an average of 5 and 1 daily departures, respectively, in June 2023 (compared to an average of 70 at the Airport). During the 12 months ended September 30, 2023, the Airport accounted for 84% of enplaned passengers at the six commercial service airports. Other airports near Boise, such as those in Hailey, Lewiston, Pocatello and Twin Falls offer limited passenger service. APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides a detailed description of the Airport's airline service and traffic.

Airlines Serving the Airport; Market Shares

As of December 2023, 11 passenger airlines serviced the Airport, with four additional all-cargo airlines. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" – Table 6 for full list of airlines servicing the airport. In Fiscal Year 2023, Alaska (including Horizon) enplaned the largest share of passengers at the Airport at 27.5% followed by Southwest Airlines with 23.4%, and Delta with 22.1%. The Airport has a relatively low degree of airline concentration, with no single airline accounting for more than 30% of enplaned passengers. Low degrees of concentration provide security in that one airline ending service to the airport will not be as disruptive on the Airport and related operations. The following table shows the six airlines with greatest enplanements and their respective market shares at the Airport since 2015 in the indicated years.

Airline Market Shares of Total Enplaned Passengers
Boise Airport

Fiscal Year	Alaska Airlines	United Airlines	Delta Air Lines	American Airlines	Southwest Airlines	Allegiant Air	All Other
2015	29.4%	19.4%	20.0%	6.3%	23.3%	1.4%	0.2%
2019	25.9	18.2	20.5	8.1	24.8	2.1	0.5
2023	27.5	14.4	22.1	8.0	23.4	2.0	0.6

Source: City of Boise; Airport records.

Airline Passenger Trends

Enplaned passengers at the Airport have increased an average of 2% per year since Fiscal Year 2000, reaching record levels in Fiscal Year 2023. The Airport does not serve as a connecting hub for any airline. In Fiscal Year 2023, 97.5% of the passengers originated or terminated their flights at the Airport, while only 2.5% connected from another airline. This statistic is important to the collection of CFC Revenues as connecting passengers do not need ground transportation.

Historical Enplaned Passengers by Component
Boise Airport
(Fiscal Years ended September 30)

	By passenger type			Annual percent increase (decrease)			
Fiscal Year	Originating	Connecting	Total	Originating	Connecting	Total	Originating % of total
2000	1,177,380	327,508	1,504,888				78.2%
2010	1,307,966	87,430	1,395,396	3.6%	(38.4%)	(0.6%)	93.7
2011	1,319,648	73,963	1,393,611	0.9	(15.4)	(0.1)	94.7
2012	1,268,961	59,806	1,328,767	(3.8)	(19.1)	(4.7)	95.5
2013	1,258,731	47,811	1,306,542	(0.8)	(20.1)	(1.7)	96.3
2014	1,301,752	46,235	1,347,987	3.4	(3.3)	3.2	96.6
2015	1,405,941	50,692	1,456,633	8.0	9.6	8.1	96.5
2016	1,511,906	81,839	1,593,745	7.5	61.4	9.4	94.9
2017	1,637,669	84,136	1,721,805	8.3	2.8	8.0	95.1
2018	1,820,998	77,768	1,898,766	11.2	(7.6)	10.3	95.9
2019	1,967,492	58,468	2,025,960	8.0	(24.8)	6.7	97.1
2020	1,226,192	27,410	1,253,602	(37.7)	(53.1)	(38.1)	97.8
2021	1,534,614	33,860	1,568,474	25.2	23.5	25.1	97.8
2022	2,074,451	71,493	2,145,944	35.2	111.1	36.8	96.7
2023	2,311,766	58,608	2,370,374	11.4	(18.0)	10.5	97.5

	Average annual percent increase (decrease)		
2000-2010	1.1%	(12.4%)	(0.8%)
2010-2019	4.6	(4.4)	4.2
2019-2023	4.1	0.1	4.0
2000-2023	3.0	(7.2)	2.0

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

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

Source: APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" – Table 9

The number of passengers enplaned at the Airport is projected to increase to 2.6 million in Fiscal Year 2026, as described in the Report. See "REPORT OF THE AIRPORT CONSULTANT" herein and APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" for a detailed description of the Airport traffic, including enplaned passenger data, trends, and forecasts.

Airport Regulation

The City operates the Airport pursuant to an airport operating certificate issued annually by the FAA after an on-site review. In addition to this operating certificate, the Airport is required to obtain other permits and/or authorizations from the FAA and from other regulatory agencies and is bound by contractual agreements included as a condition to receiving grants from the FAA's grant programs. Federal law also governs certain aspects of rate-setting and restricts grants of exclusive rights to conduct an aeronautical activity at an airport that receives or has received federal grants and other property. All long-term facility planning is subject to the FAA's approval; outside audits of the Airport's financial statements are subject to periodic audits by the FAA; the City's use of Airport revenues, which is generally limited to airport-related purposes, is subject to review by the FAA; and the City's use of CFC Revenues and grant proceeds is also subject to approval, audit and review. The City is also required to comply with the provisions of the federal Aviation and Transportation Security Act (the "Aviation

Security Act"), with other federal security statutes and with the regulations of the Transportation Security Administration (the "TSA").

The Airport is regulated by the federal Environmental Protection Agency and by the Idaho Department of Environmental Quality in connection with various environmental matters, including the handling of deicing materials and airline fuels and lubricants, protection of wetlands and other natural habitats, disposing of stormwater and construction wastewater runoff and noise abatement programs. The Airport's handling of noise, including restrictions and abatement programs, is also subject to the requirements of federal and State statutes and regulations. Security is regulated and managed by the TSA. To the best of its knowledge, the Airport is in compliance with these regulations and requirements.

Airport Facilities

Passenger Terminal Building. The Airport's terminal facilities underwent a major expansion and renovation, which was completed in 2004. The terminal is 415,000 square feet and contains a basement that is used for storage, a first floor for baggage claim and car rentals, a second floor for ticketing, and a third floor where administrative offices and conference rooms are located.

Vehicle Parking. Vehicle parking for the passenger terminal complex includes public, employee and the existing rental car space. The Airport currently has 3,476 long-term parking stalls and 203 short-term parking stalls.

In addition, the surface economy parking lot, which is located approximately one and one-half miles from the Airport terminal, has 1,957 spaces. There is employee parking consisting of 703 spaces. The current rental car ready lot is a surface parking lot with 487 spaces. The ConRAC Project will add 944 spaces to the rental car ready facilities, for a total of 1,300 spaces. See "THE CONRACT PROJECT – Description of the ConRAC Project" herein.

General Aviation Facilities. The Airport performs a variety of general aviation functions serving the needs of aviators, from student pilots to corporate executives. The Airport services private pilots and private airplane hangars, but the primary usage is by corporations that maintain corporate jets and aviation facilities at the Airport.

Other Aviation Facilities. There are three other significant aviation groups at the Airport: two Idaho National Guard units and the National Interagency Fire Center. The Idaho Air National Guard and the Army National Guard have operational flying units located at the Airport. The combined area of the airfield under military control is approximately 570 acres. In addition to the main hangar, there are nine buildings, including a rescue and firefighting building. The Idaho Air National Guard is currently the only operation using the Airport's third runway, but the Airport retains full access to it. The National Interagency Fire Center is a national center for forest fire fighting and other catastrophic assistance. The agency operates a variety of specialized aircraft used for "bombing" of forest fires.

Support Facilities, Air Cargo Facilities and Hangar Facilities. Several support facilities serve as critical links in providing the necessary required support to aircraft ground operations, aircraft emergency rescue, firefighting, fuel storage and airport maintenance. The City operates and maintains the Airport's sewer system. Electricity, natural gas and water are provided by private utilities. The air cargo area of the Airport is located in three separate areas. Additionally, the City owns a hangar facility and leases space within the hangar facility to SkyWest airlines.

DEBT SERVICE SCHEDULE

The following table shows net debt service for the Series 2024 Bonds.

Fiscal Year Ending 9/30	Principal	Interest(1)	Total Debt Service(1)
2024	-	-	-
2025	-	-	-
2026	-	$2,461,178	$2,461,178
2027	$1,350,000	4,922,357	6,272,357
2028	1,420,000	4,852,157	6,272,157
2029	1,490,000	4,778,800	6,268,800
2030	1,570,000	4,701,081	6,271,081
2031	1,655,000	4,617,212	6,272,212
2032	1,745,000	4,527,974	6,272,974
2033	1,835,000	4,434,163	6,269,163
2034	1,935,000	4,335,055	6,270,055
2035	2,040,000	4,229,094	6,269,094
2036	2,155,000	4,115,344	6,270,344
2037	2,275,000	3,993,026	6,268,026
2038	2,410,000	3,862,759	6,272,759
2039	2,545,000	3,724,209	6,269,209
2040	2,690,000	3,577,897	6,267,897
2041	2,845,000	3,423,248	6,268,248
2042	3,010,000	3,259,689	6,269,689
2043	3,185,000	3,086,644	6,271,644
2044	3,365,000	2,903,539	6,268,539
2045	3,560,000	2,710,085	6,270,085
2046	3,765,000	2,503,641	6,268,641
2047	3,985,000	2,285,308	6,270,308
2048	4,215,000	2,054,218	6,269,218
2049	4,460,000	1,809,790	6,269,790
2050	4,720,000	1,551,155	6,271,155
2051	4,995,000	1,275,082	6,270,082
2052	5,285,000	982,924	6,267,924
2053	5,595,000	673,805	6,268,805
2054	5,925,000	346,553	6,271,553
	$86,025,000	**$91,997,988**	**$178,022,988**

(1) Interest amounts and Total Debt Service are reflected as net of capitalized interest. Interest will be capitalized on the Series 2024 Bonds, through the estimated in-service date of the ConRAC Project, April 1, 2026.

THE CITY OF BOISE

General Description

The City of Boise City, Idaho, organized in 1866 in accordance with Article 12, Section 1 and Article 18, Section 6 of the Idaho Constitution, is located in the Southwest portion of Idaho in Ada County (the "County") and serves as the Idaho State Capital. Idaho ranks fourth nationally in percentage of population growth from 2022 to 2023 according to data from the U.S. Census Bureau. The City is the largest municipality in Idaho and has a population of 236,634 as of July 1, 2022. The City is the principal business and government center of the Boise-Nampa MSA which had an estimated population of 811,336 as of 2022. The City is governed by a Mayor and a six-member City Council.

Table Ten
Population Statistics

Years	Boise City	Ada County	State of Idaho
2023 Estimate	247,040	544,590	1,964,726
2020 Census	235,684	494,967	1,839,106
2010 Census	205,671	392,365	1,567,582
2000 Census	185,787	300,904	1,293,953
1990 Census	125,738	205,775	1,006,749

Source: *COMPASS, 2023 Population Estimate, 2020 Census, 2010 Census, 2000 Census, 1990 Census.*

Mayor-Council System

The City operates under the mayor-council system of government as a city of the first class under the general laws of the State with a mayor (the "Mayor") and six council members (the "City Council"). The Mayor is elected to a four-year term. City Council members are also elected for four-year terms, three being elected every two years to stagger the terms for continuity. During the 2020 legislative session, the State legislature passed HB 413, requiring cities with populations over 100,000 to create districts for city council elections. A districting map was then created based on 2020 census data for the 2023 election. In 2023, all six council districts were up for election, and odd-numbered districts ran for four-year terms and even-numbered districts for two-year terms, which will resume as four-year terms at the following election for even-numbered districts. The Mayor is the chief executive officer for the City, responsible for carrying out policies set by the City Council and for enforcing the City Code.

The following are the current members of the City Council:

Name	Position	Term Expires
Lauren McLean	Mayor	December 31, 2027
Colin Nash	President	December 31, 2025
Meredith Stead	Pro Tem	December 31, 2027
Luci Willits	Member	December 31, 2027
Kathy Corless	Member	December 31, 2027
Jordan Morales	Member	December 31, 2025
Jimmy Hallyburton	Member	December 31, 2025

Source: City of Boise

Organization

The Mayor, with consent of the City Council, appoints all department heads (except the Library Director which is appointed by and reports to the Library Board). The Mayor appoints, with City Council review, a variety of boards, commissioners and committees to provide citizen input and policy direction to the departments. The Citizen groups participate in the development of the departments' budget requests.

For financial reporting purposes, the City's operations are divided into eight general classifications: (1) general government, (2) fire, (3) police, (4) parks and recreation, (5) culture, (6) community service, (7) community development, and (8) interest and fiscal charges. The major classifications are subdivided into departments and those units are further subdivided into service units for budgeting, accounting and reporting purposes.

Key Officials

Lauren McLean, Mayor. Lauren McLean was re-elected for her second term as Mayor of Boise in 2023. Ms. McLean is a graduate of The University of Notre Dame, with a Master of Public Administration from Boise State University. Public service has been an integral part of Ms. McLean's career, and she served on Boise City Council from 2011-2019, prior to her first term as Mayor.

Three months into her first term as the Mayor of Boise, the COVID-19 pandemic hit. Despite the challenges brought on by the Pandemic, she continues to lead with the community at the forefront of decisions. As Mayor, she has led the fight against climate change by setting ambitious goals to lead the city to an environmentally and economically resilient future.

Lynda Lowry, CFO & Director of Finance and Administration, Ex Officio City Clerk & Treasurer. As the CFO and Director of Finance and Administration for the City of Boise, Lynda is responsible for directing the activities of the City's financial functions as well as overseeing administrative divisions such as the City Clerk's Office. She has over 20 years of experience in financial and operational management covering a broad-spectrum of disciplines. Most recently she worked for the global pharmaceutical company F. Hoffman-La Roch, as a Global Financial Controller and Operations Director. Lynda holds a Bachelor of Science degree from Arizona State University, an MBA from DePaul's Kellstadt Graduate School of Business and is a Chartered Financial Analyst.

David Hasegawa, Deputy Treasurer. As Deputy Treasurer for the City, David is responsible for managing the Boise City Office of the City Treasurer. In that capacity he is responsible for the City's debt and lease financing, cash operations, fixed income investing, and accounts receivable management. David has fourteen years of professional treasury experience. Most recently he worked at Micron Technology, managing its fixed income investment portfolio, and U.S. and European cash operations. David holds a Bachelor of Arts degree from the University of California, Irvine, and an MBA from Boise State University and he holds the Project Management Professional ("PMP") and Certified Treasury Professional ("CTP") designations.

City and Airport Staff

As of Fiscal Year 2024s, the City has approximately 2,025 employees, 176 of which are Airport employees. The Airport added 25 full-time employees and 12 full-time employees in Fiscal Year 2023 and Fiscal Year 2024, respectively.

Budgetary Process and Controls

The budgetary process was designed in four phases to bring together all of the financial elements needed to develop a sound budget plan. The first stage focuses on the long-term financial plan to set parameters for budget development. The second stage focuses on capital needs and proposed capital plans. During stage three the current level operating budget is developed with requests for changes in services or level of funding. The goals, policies and priorities developed in the early stages provide the basis for decision making in the fourth stage - adoption of the budget includes all funding decisions, including services, capital facilities and revenue choices.

Budgets are adopted on a basis in substantial conformance with generally accepted accounting principles ("GAAP"). Capital plans are budgeted to identify all costs at the time of decision making although projects typically extend beyond a fiscal year for completion. Therefore, capital budgets and expenditures are presented differently than in the annual audit. Reconciliations are provided in the Annual Comprehensive Financial Report. Total appropriations represent budget amounts as originally adopted except for adjustments reflecting prior year encumbrances as supplemental appropriations and appropriation changes approved by the City Council during the year.

Financial Reporting

The financial statements of the City are prepared in accordance with GAAP, and included in Appendix C, attached hereto.

The Airport Enterprise Fund

The operations of the municipal airport are accounted for in the Airport Enterprise Fund, which is categorized as an enterprise fund of the City. All operations, debt service, and capital improvements to the Airport are accounted for in the Airport Enterprise Fund.

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business—where the intent of the governing body is that the costs (expenses, including depreciation) of providing those goods or services to the general public on a continuing basis be financed or recovered, primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds, including the Airport Enterprise Fund, are accounted for on a cost of services or capital maintenance measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on their balance sheets. Reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The accrual basis of accounting is utilized for enterprise funds, including the Airport Enterprise Fund. The accrual basis of accounting recognizes revenues when they are earned, and expenses when the related liability is incurred.

Independent Audit

The City's financial statement audits for the fiscal years ended September 30, 2020 through 2023 were performed by Eide Bailly LLP CPAs & Business Advisors, Boise, Idaho. The audit reports indicate the financial statements fairly present the City's financial condition and are in conformance with GAAP.

Investment Policy

The City has formally adopted investment guidelines for all funds under the jurisdiction of the City as authorized by Section 57-127, Idaho Code. Authorized investment instruments include only those specifically denoted by Section 50-1013, Idaho Code. Investments that fall outside the scope of the policies include the Police Social Security Replacement Plan and the General Employees Deferred Compensation Plan which are subject to the investment guidelines of state laws governing such plans which allow for investment in equity securities in addition to the investment alternatives as specified in the Idaho Code.

The investment policy, which has been adopted by the City Council, is generally governed by the "prudent person" rule. The City has adopted investment objectives including the primary objective to safeguard government funds, preserving safety of capital while at the same time providing for adequate liquidity and income to meet daily expenditure needs. The City's individual holdings within the portfolio are monitored daily and investments are constantly reviewed and diversified as to type of security, maturity, duration, and source to maintain a balanced portfolio.

To be eligible to conduct investment business with the City, all brokers and dealers must satisfactorily complete an application, must be registered in good standing with the State Department of Finance FINRA, except certain otherwise regulated banks, and must adhere to the capital adequacy standards that the New York Federal Reserve Bank requires of all primary dealers.

All investment transactions are conducted on a delivery vs. payment basis with delivery of all purchased securities to the City or a previously approved and designated bank or trust company as safekeeping and custodial agent. The only exception is for repurchase agreements with a maturity of five calendar days or less transacted with an approved Boise bank. City policy prohibits any investments in highly leveraged, interest sensitive derivative products, or in any authorized government investment pool, mutual fund or any other similar fund whose portfolios contain or permit such products. Reverse repurchase agreements are allowed only for liquidity purposes and are not allowed for leverage or speculation.

Debt Policy

The City has adopted a formal debt policy which applies to all debt issued by the City of Boise regardless of purpose, source or type. The policy requires City Council approval before the issuance of debt. The policy and corresponding regulations establish sound debt management and issuance practices. These practices include procedures to adhere to Federal law, State law and Agency law, including Securities and Exchange Commission Rule 15c2-12 disclosure requirements.

Risk Management

In fiscal year 1986, the City began assuming certain levels of self-insured retention for liability and property coverage and continued to purchase commercial insurance coverage for large claims. During fiscal year 1988, the City established a Risk Management Fund (an internal service fund) to account for and finance its self-insured risks of loss. Effective October 1, 1998, the City funds began assuming certain levels of self-insured retention for Workman's Compensation. Amounts to be provided for coverage are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. Due to the unique characteristics of Airport liability, the City purchases a separate policy to cover those liability exposures.

All benefit eligible employees, which consist of employees who work 20 or more hours per week for five consecutive months, must enroll in one of two retirement plans—the State's Public Employees' Retirement System of Idaho ("PERSI").

PERSI. The City's classified employees, including those hired prior to July 1, 1990, are covered under PERSI. Additionally, new staff who are vested in PERSI have the option of remaining in or returning to PERSI with written affirmation of this decision within 60 days of employment. PERSI is the administrator of a multiple-employer cost-sharing defined benefit public employee retirement system. A retirement board (the "PERSI Board"), appointed by the governor and confirmed by the State Senate, manages the system, including selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and establishing policy for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the system.

PERSI is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan ("PERSI Base Plan"), the Firefighters' Retirement Fund and the Judges' Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 414(k) and 401(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers.

PERSI membership is mandatory for eligible employees of participating employers. Employees must be: (i) working 20 hours per week or more; (ii) teachers working a half-time contract or greater; or (iii) persons who are elected or appointed officials. Membership is mandatory for State agency and local school district employees, and membership by contract is permitted for participating political subdivisions such as cities and counties. As of June 30, 2023, PERSI had 76,668 active members, 52,074 inactive members (of whom 16,106 are entitled to vested benefits), and 54,680 retired members or annuitants. In addition, as of June 30, 2023, there were 850 participating employers in the PERSI Base Plan and total membership in PERSI was 183,422. As of September 30, 2022, the City had 1,759 active employees entitled but not yet receiving benefits, and 854 inactive employees or beneficiaries receiving benefits.

The net position for all pension and other funds administered by PERSI increased $1.6 billion during Fiscal Year 2023 and decreased $2.8 billion during Fiscal Year 2022. The change in the defined benefit plans reflects the total of contributions received and an investment return less benefits paid and administrative expenses. All of the plans experienced investment gains in Fiscal Year 2023 as a result of positive market performance. Net investment income(loss) for all of the funds administered by PERSI for the Fiscal Year 2023 and Fiscal Year 2022 was $2.0 billion and $2.4 billion, respectively.

Annual actuarial valuations for PERSI are provided by the private actuarial firm of Milliman, which has provided the actuarial valuations for PERSI since PERSI's inception. As a result of the statutory requirement that the amortization period for the unfunded actuarial accrued liability ("*UAAL*") be 25 years or less, the PERSI Board must annually analyze contribution rates. The current contribution rates, as listed below, are adequate to amortize the normal cost and UAAL balance over the required 25-year period.

Contribution Rates

Member			**Employer**	
General	**Teacher**	**Fire/ Police**	**General/ Teacher**	**Fire/ Police**
7.16%	7.62%	9.38%	11.94%	12.28%

Source: Financial Statements June 30, 2023 Public Employee Retirement System of Idaho

The most recent major experience study, completed in August 2021, covered the period July 1, 2015 through June 30, 2020, which reviewed all economic and demographic assumptions, including mortality.

The City's required and paid contributions to PERSI for Fiscal Year 2021 and Fiscal Year 2022 were $16,758,000 and $16,961,000 respectively. Contribution requirements of PERSI and its members are established by the PERSI Board within limitations, as defined by state law.

Under Governmental Accounting Standards Board ("GASB") Statement No. 68, The City is required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of PERSI. The City recorded a net pension liability(asset) for Fiscal Year 2022 of $138,187,000 and ($74,689,000), representing its proportionate share of liability under PERSI.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at, www.persi.idaho.gov (which website is provided purely for convenience and is not incorporated or made a part of this Official Statement by this reference). Much of the information in this section comes from the PERSI Financial Statements, June 30, 2023, and therefore the information is from a source not within The City's control.

Other Post-employment Benefits

The City participates in additional post-employment benefit plans to provide other post-employment benefits ("OPEB") for City employees. The City has a Post-Employment Health Plan for all regular full and part time employees working 20 hours or more per week. The city makes annual contributions to a medical trust established under Internal Revenue Code section 501(c)(9) on behalf of the participants. Upon separation, the employee may use only the accumulated balance and the City has no ongoing responsibility for the trust. The City provides all employees eligible to retire under PERSI a $10,000 life insurance policy, the premium for which is paid by the City. Additionally, the City contributes $100 per month toward a retiree health insurance plan for retirees under the age of 65. For post-65 retirees, the City contributes $50 per month toward a City-offered Medicare Advantage plan.

The unfunded actuarial liability for the post-employment benefits as of September 30, 2023 is $11,514838. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for the past three Fiscal Years are as follows:

Fiscal Year Ended	Net OPEB Liability
September 30, 2023	$11,514,838
September 30, 2022	$12,225,318
September 30, 2021	$15,035,583

Sustainability and Climate Action

The City has set a climate action goal of being completely carbon neutral by 2050. The City developed a Climate Action Roadmap (the "Climate Roadmap") that provides a clear path for reaching carbon neutrality. The Climate Roadmap focusses on both cutting greenhouse gas emissions and prioritizes quick action by City government and sets forth steps citizens can take.

The Airport has been actively implementing sustainability projects for the last 10 years. Such projects include replacing light fixtures with energy efficient fixtures and LED light fixtures on the airfield, installing of a solar hot water system and water conservation toilet fixtures, converting gas heaters to electric, and establishing an Airport recycling program for all Airport tenants. Furthermore, the

ConRAC Project and the Employee Parking Project were both designed and will be constructed to the Green Construction standards, which require recycling and energy efficiency. As part of the Green Construction standards, the Airport will have an independent consultant certify that the Airport has met such Green Construction standards.

CERTAIN INVESTMENT CONSIDERATIONS

The following section describes certain risk factors affecting the payment of and security for the Series 2024 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with investing in the Series 2024 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following specific factors along with all other information described elsewhere or incorporated by reference in this Official Statement in evaluating the Series 2024 Bonds. There can be no assurances that such circumstances would not materially adversely affect the amount of CFC Revenues available to pay debt service on the Series 2024 Bonds.

Factors Affecting the ConRAC Project

Construction Risks. The City's ability to complete the construction of the ConRAC Project within budget and on schedule may be adversely affected by various factors including: (1) estimating errors; (b) design and engineering errors; (c) material and/or labor shortages; (d) unforeseen site conditions; (e) cost increases; (f) contractor defaults; (g) labor disputes; (h) environmental issues; (i) unavailability of other funding sources; (j) discovery of archaeological artifacts; (k) changes in law; (l) delays in obtaining or renewing required permits; (m) revocation of such permits and approvals; and (n) litigation, among other things. The City has approved and executed the Construction Contract on a guaranteed maximum price basis. The entire design of the ConRAC Project has been completed. See "THE CONRAC PROJECT – Costs of ConRAC Project and Construction Contracts." The budget for the ConRAC Project also has contingencies built in. In addition, CFCs at the rate of $7.95 per rental transaction day, together with two further $1.00 increases approved by City Council on April 30, 2024, up to a maximum of fourteen days per rental car customer contract, will accumulate during the construction period for the ConRAC Project, and there is an existing CFC cash balance of $17.1 million as of March 1, 2024. In the event there are schedule delays or cost increases beyond the budgeted amount, the City may need to issue additional Bonds to complete the ConRAC Project. In the event any sources of funding are less than projected and the City is not able to issue or sell additional bonds, the completion of the ConRAC Project could be substantially delayed and financing costs could be higher than projected.

Events of Force Majeure and Other Delays. In addition to construction risks, operation of the ConRAC Project is at risk from events of force majeure, such as hurricanes or other natural disasters, war, riots, acts of sabotage, terrorism or civil commotion, and spills of hazardous materials, among other events.

Damage and Destruction. The City will maintain insurance in the amount and against such risks as are customarily insured against on Airport property. However, there can be no assurance that the ConRAC Project 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 ConRAC Project is not available for use will not exceed the coverage of such insurance policies. Notwithstanding the foregoing, pursuant to the Concessionaire Agreements the Concessionaires are required to maintain their own insurance. See "APPENDIX D - Form of Concessionaire Agreements."

Factors Affecting Collection of CFC Revenues and Concessionaire Deficiency Payments

General. The payment of the Series 2024 Bonds is dependent on the generation of sufficient CFC Revenues in each Fiscal year. CFC Revenues are contingent upon, and the amount generated will be impacted by, a variety of factors, including: 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; and the financial health and viability of the Concessionaires. See the discussion of factors affecting aviation demand at the Airport under "–Factors Affecting the Airline Industry" below. The amount of and the collection of Concessionaire Deficiency Payments is also contingent upon a variety of factors, including car rental rates at the Airport, the rate of the CFC and the total amount of CFC Revenues received as compared to the Annual Obligation Requirement, viability of the rental car industry in general, and the financial health of the Concessionaires in particular. The City has concluded that the current rental car facilities cannot accommodate the growth projections of the Airport. Accordingly, any delay in the completion of the ConRAC Project could affect Airport customer growth and concurrently reduce receipt of CFC Revenues. In addition, delay in the construction of the ConRAC could restrict customer growth needed for the ConRAC Project.

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 origin and destination deplaned passengers. Other factors found by the Airport Consultant to affect rental car demand at the Airport include: the price of renting a car, as measured by the average daily rental rate; market segmentation (business/leisure); rental car costs as a component of total travel costs; convenience; the availability of alternative forms of ground transportation; and certain extraordinary events, such as the COVID-19 Pandemic. For a full discussion of these and other factors affecting rental car activity, see "APPENDIX A – Report of the Airport Consultant."

Competition and Technological Innovations in Ground Transportation. There are various alternative forms of ground transportation available at and near the Airport, which could reduce the demand for renting motor vehicles at the ConRAC and, thus, the collection of CFCs by the Concessionaires. These alternative forms that compete with on-airport rental cars include taxis, buses, shuttle services, public transportation and limousines. Various forms of car-sharing and on-demand vehicles services, also known as transportation network companies ("TNCs"), such as Uber Technologies Inc. and Lyft, Inc., are also increasingly prevalent and popular with the public, and may offer competition that could reduce the demand for car rentals at the Airport. While passenger levels are increasing, the relative market share of these alternative forms of ground transportation is shifting. As one example, the popularity of TNCs has increased because of the increasing number of cities where TNCs operate, the other technological innovations in ground transportation, convenience of requesting a ride through a mobile application, the ability to pay for this service without providing cash or other payment to the hired driver, and competitive pricing. In addition, the digital revolution has also spawned peer-to-peer car-sharing services such as Turo and Getaround Inc., presenting another competition to traditional rental cars. Turo and Getaround Inc. allow individual car owners to rent their cars via apps. Customers use an app to rent another person's car and set a spot to pick up the car. They can rent cars for an hourly or a daily fee. For a further description of these alternate modes of transportation and their impact on rental car demand, see "APPENDIX A – Report of the Airport Consultant –Rental Car Industry Profitability, Pricing, and Trends."

New technologies (such as autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation may continue to occur and may result in further changes in Airport passengers' choice of ground transportation mode. In such event, CFC Revenues from Concessionaires' car rentals at the ConRAC Project may be lower than expected. The City cannot predict with certainty what impact these innovations in ground transportation will have over time on the rental of Concessionaires' rental cars.

Concessionaires. The projections of the revenues derived from CFCs are dependent on the ability of the Concessionaires or any new entrants as Concessionaires to provide a competitive product to potential customers at the Airport over the life of the Series 2024 Bonds. Such ability is affected by factors beyond their control, including the cost and resale value of cars. Competitive factors have limited the profitability of rental car companies in the past several years and some companies and franchises have ceased operations or been acquired by other companies. Prospective purchasers should consider the potential effects of the rental car industry as a whole upon the availability of the CFCs to pay debt service on the Series 2024 Bonds.

Concentration of Rental Car Companies. Over the past three decades, the movement toward consolidation has significantly changed the rental car industry. Twenty five years ago, there were either 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 more than one brand. These three major national rental car companies control approximately 95% of the U.S. rental car market. The concentration of the actual and projected rental car activity at the Airport in a small number of corporate entities increases the risk from factors that may impact the operations and activities of the ConRAC Project.

Consideration Under Bankruptcy Code. In the event a bankruptcy case is filed with respect to a Concessionaire, a bankruptcy court could reject its Concessionaire Agreement, in which event the Concessionaire would not be required to remit CFCs or Concessionaire Deficiency Payments or other payments required under the Concessionaire Agreement to be paid to the City. In such event, the Concessionaire would be in default under its Concessionaire Agreement, permitting the City to cancel such Agreement and remove the Concessionaire from possession and occupancy of the ConRAC.

Future Legislative Changes That Could Restrict Imposition of CFCs

No assurance can be given that the City's ability to impose CFCs will not be affected by future legislation or by future legal challenge so as to reduce CFC Revenues available to the City. See "—Certain Rental Car Industry Investment Considerations" below. For example, there is currently no limit on the amount the City can charge for a CFC per transaction day. No assurance can be given that the CFC Laws will not be amended in the future to limit the maximum CFC allowed to be imposed per transaction day.

Dependence on Levels of Air Traffic and Activity

Pursuant to the CFC Indenture, the principal of and interest on the Series 2024 Bonds and any permitted parity obligations are payable from CFC Revenues. The ability to pay debt service on the Series 2024 Bonds will depend on the City's receipt of sufficient CFC Revenues. CFC Revenues are dependent primarily on aviation activity at the Airport, specifically visitors. See "Appendix A – Report of the Airport Consultant – Figure 16" for further forecasting of CFC Revenues. The CFC Revenues are also affected by the economic health of the air transportation industry and, in particular, the rental car companies serving the Airport. As a result, the Airport's ability to generate CFC Revenues from rental car companies at the Airport depends upon many air travel factors, many of which are not subject to the control of the City, including (1) the growth in the population and economy of the area served by the Airport, especially the Boise-Nampa MSA, (2) national and international economic and political conditions, (3) domestic and international affairs, (4) air carrier economics and air fares, (5) the availability and price of aviation fuel, (6) airline service and route networks, (7) the capacity of the air traffic control system, (8) labor relations within the airline industry, (9) changes in demand for air travel,

(10) regulation by the federal government and (11) the capacity of the airport system. Additionally, slow or negative traffic growth in many areas, increased competition among air carriers, increased labor, equipment and other operating costs, and increases in the requirements for and the cost of debt capital have combined recently to reduce profits materially or to cause losses for many air carriers over the past few years, although many airlines have recently reported increases in profitability. Furthermore, the so-called "legacy" carriers such as American, Delta and United have taken many actions to restructure and reduce costs including reducing their workforce, renegotiating their labor agreements, consolidating connecting activity and replacing mainline jets with regional jets. The Airport makes no representation with respect to the continued viability of any of the airlines or rental car companies serving the Airport and cannot assess the impact that these factors will have on the airline industry or the rental car companies operating at the Airport and, in turn, on the Airport's CFC Revenues.

Amounts available for deposit in the Airport Enterprise Fund available for transfer to the Bond Fund could also be adversely affected by delays or defaults in the payments of rates and charges by the air carriers at the Airport.

General Factors Affecting the Rental Car Industry

For visitor passengers the choice to rent a car versus using other ground transportation options is generally influenced by the following considerations (i) Rental Car Industry Profitability, Pricing, Consolidation, (ii) Travel Purpose (Business/Leisure), (iii) Rental Car Costs in Total, and as a Percent of Total Travel Costs, (iv) Convenience of Airport Rental Car Facilities, and (v) 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. See Appendix A – Report of the Airport Consultant" for further detail.

Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of disposable income. Recession in the U.S. economy in 2001 and stagnant economic conditions in 2002 contributed to reduced passenger numbers during those years. The 2008-2009 recession and continuing high unemployment reduced discretionary income and contributed to reduced airline travel demand in those years. During September 2008, significant and dramatic changes occurred in the U.S. and global financial markets. Several U.S. commercial and investment banks declared bankruptcy, were acquired by other financial institutions, combined with other financial institutions or sought huge infusions of capital. The volatility in the capital markets led the U.S. government to intervene by making funds available to certain institutions, taking over the ownership of others and assuming large amounts of troubled financial instruments in exchange for imposing greater regulation over certain institutions in order to restore consumer confidence in, and stabilize, the nation's financial markets. Since 2008, the U.S. economy has experienced a recession followed by weak growth. As a result of concerns about the U.S. government's ability to resolve long-term deficits, in August 2011 Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, downgraded the credit rating of the U.S. sovereign debt from "AAA" to "AA+." It is not known at this time whether the high national unemployment rate, or the slow rate of national and global economic growth will persist beyond 2012. There can be no assurances that the prolonged weak economic conditions, the downgrade of the credit rating of the U.S. sovereign debt or other national and global fiscal concerns will not have an adverse effect on the air transportation industry.

International Economic and Political Conditions

With the globalization of business and the increased importance of international trade and tourism, growth in the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationship, and hostilities are now important influences on passenger traffic at U.S. airports. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions as well as national and global economic growth.

Overall Financial Health of U.S. Airline Industry

The number of passengers using 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 necessary investment to provide service. Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued seat capacity control to enable increased airfares, and stable fuel prices and labor costs.

General Factors Affecting the Airline Industry

Recent Events. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures, and more recently COVID testing, mask mandates and vaccination requirements, have all lead to the avoidance of travel and increased levels of alternative travel, when feasible for shorter travels. Potential investors are urged to review the airlines' financial information on file with the SEC. See "CONTINUING DISCLOSURE – No Continuing Disclosure by Airlines" herein for information on how to obtain this information.

Boeing 737 Max . Following the fatal crashes of B-737 MAX aircraft that are suspected to have been caused by the malfunction of the aircraft's automated flight control system, all B-737 MAX aircraft were grounded by the FAA in March 2019. Among North American airlines that had B-737 MAX in service, Air Canada, American, Southwest, United and WestJet were affected. At the time of the grounding, B-737 MAX aircraft accounted for approximately 1.5% of U.S. airline seat capacity and less than 1.0% of seat capacity at the Airport. In November 2020, the FAA rescinded its order grounding the aircraft, allowing it to return to service once design changes and revisions to pilot training programs are approved and the aircraft is recertified by the FAA and other regulatory agencies. The Boeing 737 MAX aircraft returned to providing passenger service on December 29, 2020. However, on April 7, 2021, Boeing notified the FAA and operators of certain Boeing 737 MAX airplanes that it is recommending the operators temporarily remove them from service to address a manufacturing issue that could affect the operation of a backup power control unit. All U.S. airlines operating the 737 MAX (affecting 71 aircraft) took their aircraft out of service pending repairs. At the FAA's request, Boeing supplied analysis and documentation shoring that numerous MAX subsystems would not be affected any electrical grounding issues. The FAA review Boeing's analysis and approved the service bulletins sent to airlines on May 13, 2021. In January 2024, the B-737 MAX 9 was temporarily grounded by the FAA following an incident where a door plug blew out midair on a flight operated by Alaska Airlines. The FAA announced increased inspections at Boeing and has stated no requests by Boeing to expand production of the MAX aircraft will be granted at this time.

Air Carrier Service and Routes. While passenger demand at an airport depends on the population and the economy of the region served, air carrier service and the number of passengers enplaned also depend on the route networks of the air carriers serving that airport. Domestic air carriers are free to enter or leave individual air traffic markets, and to increase or decrease service, at will. The Airport serves as a gateway to the Boise MSA as well as surrounding Idaho counties and Eastern Oregon. The number of O&D passengers depends on the intrinsic attractiveness of the Boise MSA as a business and leisure destination and the propensity of its residents to travel. The number of connecting passengers, on the other hand, depends on the airline service provided at the Airport and at other airports. Most large airlines have developed hub-and-spoke systems that allow them to offer high-frequency service in many city-pair markets. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines service that airport and at competing hub airports. The Airport primarily serves O&D, as opposed to connecting, passengers. See "THE AIRPORT – Service Area and --."

Aviation Fuel Prices and Climate Issues. The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainties. Political unrest, the rapidly growing economies of other countries, and the supply and demand for oil all influence fuel prices.

Aside from the price of fuel, there is now widespread acknowledgement of the urgent need for the nations of the world to transition from fossil fuels to cleaner energy sources that will allow many effects of global warming and climate change to be avoided. Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term. However, there is widespread agreement that fuel prices are likely to remain high relative to historical levels and to increase over the long term as global energy demand increases as the result of finite and increasingly expensive oil supplies.

Air Carrier Economics, Competition, and Airfares; Travel Substitutes. Airline fares have an important effect on passenger demand, particularly for relatively short trips where the automobile and other 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. Airlines 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. Additionally, teleconference, video-conference and web-based meetings continue to improve in quality and price and are often considered a satisfactory alternative to face-to-face business meetings. Future passenger numbers, both nationwide and at the Airport, will depend, in part, on airfare levels.

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. From 2006 through 2008, as airlines reduced capacity and were able to sustain fare increases, the average domestic yield increased. In 2009, yields again decreased, but, beginning in 2010, as airline travel demand increased and seat capacity was restricted, yields increased through 2014. Between 2015 and 2016, domestic yields decreased again, reflecting lower aviation fuel prices and increased airline competition, and yields have been fairly stable through 2019 (i.e. up to the onset of the COVID-19 pandemic). Yields decreased in the first half of 2020 as passenger demand drastically dropped. See "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT."

In many airline travel markets nationwide, new entrant and other airlines with lower cost structures have provided price and service competition. In Boise, Southwest has provided such competition in many travel markets. As United and other legacy network airlines have restructured their operations and reduced costs, they have enhanced their ability to compete.

Capacity of National Air Traffic Control and Airport Systems and the Airport. 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 Transport 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, air traffic delays decreased as a result of reduced numbers of aircraft operations, but, as air travel demand increases in the future, flight delays and restrictions should be expected.

World Health Concerns and COVID-19 Pandemic. Public health and safety concerns have also affected travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (SARS) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In, 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia. In April 2010, airspace and airports in much of Europe were closed for 6 days because of the threat to flight safety of the ash cloud from the eruption of Iceland's Eyjafjallajokull volcano. In March 2011, airline travel to and from Japan decreased following a destructive earthquake and tsunami.

Most recently, the worldwide outbreak of a highly contagious, upper respiratory tract illness caused by COVID-19 caused significant disruptions to domestic and international air travel, including both passenger traffic and cargo operations at airports, and had significant negative and adverse effects on the economies of the State, the nation, and the world. Certain of the information in this Official Statement that describes the collection of CFCs, revenues, financial affairs, operations and general economic conditions of the City, the Airport, and the rental car market at the Airport for Fiscal Years 2020, 2021, and 2022 should be considered in light of the negative and adverse impacts from COVID-19 subsequent to the dates of such data. The effects of the COVID-19 pandemic and actions taken at the state and national levels to halt its spread had and may continue to have, a significant adverse effect on the collection of CFCs, revenues, financial condition and operations of the Airport and the rental car market at the Airport. Most recently, the airline industry and overall economy have been greatly affected by the COVID-19 pandemic, causing all time lows of passenger travel in 2020.

For a discussion of the current and projected effects of the COVID-19 pandemic on the operations, revenues and expenses of the Airport, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

Aviation Security Concerns. Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of potential international hostilities and terrorist attacks, may 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 terrorist attacks in September 2001, along with a weak economy, 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 sky marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screen of passengers and baggage, and deployment of new screening technologies.

Historically, air travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, public health and safety concerns, and international hostilities. 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.

Airline Consolidations, Mergers, and Alliances. Beginning in the early 2000s, in response to competitive pressures, the U.S. airline industry has consolidated and companies have merged.

In October 2010, United Airlines and Continental completed a merger transaction, thereby creating the largest U.S. airline. In May 2011, Southwest Airlines completed its acquisition of AirTran and integrated operations in 2014, thereby creating the largest U.S. domestic airline as measured by numbers of enplaned passengers.

In December 2013, American and US Airways completed their merger and have maintained all hubs in the combined system. In December 2016, Alaska Air Group, parent of Alaska Airline, and Virgin America Airlines completed their merger. The merged airline received a single operating certificate from the FAA in January 2018, moved to a single reservations system and rebranded as Alaska Airlines on April 25, 2018, and retired the Virgin American brand in June 2019. In October 2022, JetBlue and Spirit announced plans to merge, which would have created the fifth largest airline in the United States, based enplaned passengers, with a marker share of approximately 10%. However, in March 2024, JetBlue announced it was terminating the merger agreement with Spirit.

In December 2023, Alaska Airlines announced plans to purchase Hawaiian Airlines. The transaction is expected to close within twelve to eighteen months. A successful acquisition will require approval of Hawaiian Airline shareholders, the United States Department of Transportation, and the United States Justice Department. Alaska Airlines is the largest airline of the Airport, accounting for 27.5% of enplaned passengers in Fiscal Year 2023.

Consolidation has resulted in four airlines (American, Delta, Southwest, and United) accounting for approximately 75% of domestic seat-mile capacity and is expected by airline industry analysts to contribute to industry profitability. However, any resumption of financial losses could cause U.S. 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. As a primarily O&D airport, it is expected that in the unlikely event any of the large network carriers liquidated, the air service provided by such airline at the Airport would be eventually replaced by another airline.

Alliances, joint ventures, and other marketing arrangements provide airlines with many of the advantages of mergers. Alliances typically involve marketing, code sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines. Joint ventures involve even closer cooperation and the sharing of costs and revenues on designated routes. Most of the largest U.S. airlines are members of such alliances with foreign-flag airlines.

Competition Among Airports

Boise is one of the most isolated metropolitan areas in the United States and as a consequence the Airport does not experience significant competition from other airports. Salt Lake City is the nearest major airport, approximately 335 miles away, but with relatively frequent and inexpensive flights on Southwest and Delta, the Airport believes that the incidence of users traveling from the Airport's primary service area to Salt Lake City for better connections and fares is not significant. The extremities of the Airport's service area are relatively sparsely populated and so the impact of users migrating to another airport such as Salt Lake City, Portland or Spokane does not have a significant effect on the Airport.

Environmental Regulations

The FAA has jurisdiction over flying operations generally, including personnel, aircraft, ground facilities and other technical matters, as well as certain environmental matters. Under the FAA's noise reduction regulations, the air transportation industry is under a mandate to gradually replace or retrofit Stage 2 (noisier) aircraft in order to quiet fleet operations. Airport noise remains a significant federal and local issue at certain airports, including the Airport, which may require substantial capital investments by the industry and/or airport operators, including the City, from time to time to meet applicable standards.

Finally, other environmental regulations of general applicability (such as hazardous waste handling and disposition requirements, underground storage tank rules, storm water permitting requirements, and the like) which are enforced by the Federal Environmental Protection Agency and the Idaho Department of Environmental Quality, not the FAA, apply to the Airport; compliance with those requirements may impose costs from time to time.

Limitation of Remedies

Under the terms of the CFC Indenture, the remedies available to the Trustee and Holders of the Series 2024 Bonds upon the occurrence of an Event of Default are limited. Additionally, no mortgage or security interest has been granted or lien created in the Airport to secure the payment of the Series 2024 Bonds.

Various state laws, constitutional provisions, and federal laws and regulations apply to the obligations created by the issuance of the Series 2024 Bonds. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and 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 City, the Airport or the payment of CFC Revenues.

In the event of a default in the payment of principal of or interest on the Series 2024 Bonds, the remedies available to the owners of the Series 2024 Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law, and judicial decisions, including the federal Bankruptcy Code. Bond Counsel's opinion to be delivered concurrently with delivery of the Series 2024 Bonds will be qualified as to enforceability of the various legal instruments by certain limitations, including limitations imposed by bankruptcy, reorganization, insolvency, and equity principles.

Secondary Market

No assurance can be given concerning the existence of any secondary market for the Series 2024 Bonds or its creation or maintenance by the Underwriters. Thus, purchasers of Series 2024 Bonds should be prepared, if necessary, to hold their Series 2024 Bonds until their respective maturity dates.

Tax Legislative Changes

Current law may change so as directly or indirectly to reduce or eliminate the benefit of the exclusion of interest on the Series 2024 Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult with their own tax advisors with respect to any proposed or future legislation.

Cybersecurity

Similar to other large organizations, the Airport and airlines rely on electronic systems and technologies to conduct operations. Computer networks and data transmission and collection are vital to the safe and efficient operations of the Airport, the airlines that serve the Airport and other tenants of the Airport. The Airport considers information security to be of paramount importance. There is a dedicated team of cybersecurity specialists in the City of Boise's Information Technology department whose sole responsibility is ensuring the security of our information systems and networks. The City has implemented a "security in depth" strategy to protect Airport information systems and data. Nevertheless, despite our best efforts, the information technology and infrastructure of the Airport, including the airlines serving the Airport and other tenants at the Airport, may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. A compromise or other loss of information could result in a disruption in the efficiency of the operation of the Airport and/or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue. The Airport's security posture is designed to prevent and defend against cyber-attacks, and we are committed to quickly detecting and responding to any such attacks to minimize their impact on operations. However, no assurances can be given that the Airport's security measures will prevent cyber-attacks, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Airport.

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", "intend", "expect", "projection" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those contemplated in such forward-looking statements.

Uncertainties of Projections, Forecasts and Assumptions

The Report of the Airport Consultant included as "APPENDIX A" to this Official Statement contains certain projections, forecasts and assumptions. Such 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 projections and forecasts. As noted in the Report of the Airport Consultant, any projection or forecast is subject to uncertainties. Inevitably, some assumptions used to develop the projects and forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between projected and actual results, and those differences may be material.

Accordingly, the projections or forecasts contained in the Report of the Airport Consultant or that may be contained in any future certificate of the City or a consultant are not necessarily indicative of future performance, and neither the Airport Consultant nor the City assumes any responsibility for the failure to meet such projections or forecasts. In addition, certain assumptions with respect to future business and financing decisions of the City 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 investors in the Series 2024 Bonds are cautioned not to place undue reliance upon the Report of the Airport Consultant or upon any projections or forecasts or requirements for those projections or forecasts. If actual results are less favorable than the results projected or forecasted, or if the assumptions used in preparing such projections or forecasts prove to be incorrect, the amount of CFC Revenues may be materially less than expected and, consequently, the ability of the City to make timely payment of the principal of and interest on the Series 2024 Bonds may be materially adversely affected. However, the City has the ability to pay deficiencies and/or increase the CFC rate if necessary.

Neither the City's independent auditors, nor any other independent accountants have compiled, examined or performed any procedures with respect to the Report of the Airport Consultant's projections or forecasts, 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 Report of the Airport Consultant's projects or forecasts, nor have they expressed any opinion or any form of assurance on such information or its achievability.

INITIATIVES AND REFERENDA

Legislative Referrals

Referrals are proposed laws that originate from the State Legislature to be voted on by the people. In Idaho, both houses of the State Legislature must vote and must pass by two–thirds of its members to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. According to the Elections Division of the Idaho Secretary of State, there are no current proposed Legislative referrals.

The Initiative Process

Article I, Section 3 of the Idaho Constitution provides that the people of the State have reserved to themselves the power of initiative and referendum, pursuant to which measures to enact, or repeal laws can be placed on the statewide general election ballot for consideration by the voters. The initiative and referendum powers relate only to laws; the Idaho Supreme Court has ruled that the Idaho Constitution cannot be amended by initiative or referendum.

In 1997, the State Legislature enacted significant procedural prerequisites including signature distribution requirements, to qualify an initiative or referendum measure for submittal to the electors. Any person may file a proposed measure with the signatures of 20 qualified electors of the State with the Idaho Secretary of State's office. The Idaho Attorney General is required by law to review and make recommendations (if any) on the petition to the petitioner before issuing a certificate of review to the Secretary of State. The petitioner then, within 15 working days, files the measure with the Secretary of State for assignment of a ballot title and submittal to the Attorney General. The Attorney General, within 10 working days thereafter, shall provide a ballot title for the measure. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Idaho Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the form of the petition has been approved by the Secretary of State, the proponents of the measure shall print the petition and, during an 18-month circulation period or until April 30 in an election year, whichever occurs first, may start gathering the petition signatures necessary to place the proposed measure on the ballot.

As of July 1, 2021, to be placed on a general election ballot, not less than four months prior to the election, the proponents must submit to the Secretary of State petitions signed by a number of qualified voters equal to at least 6% of the qualified electors in all of the State's 35 legislative districts. Proponents of measures are permitted to compensate persons obtaining signatures for the petition, but in such instances the petition must contain a notice of such payment to the elector whose signature is being sought.

Historical Initiative Petitions

According to the Elections Division of the Idaho Secretary of State, there were four initiative petitions and three referendums that qualified for the ballot between 2006 and 2020.

LITIGATION

There is no litigation pending or overtly threatened questioning the validity of the Series 2024 Bonds or the City's power and authority to issue the Series 2024 Bonds. Furthermore, there is no litigation pending or overtly threatened that would materially affect the finances of the City or the Airport or adversely affect the City's ability to meet debt service requirements on the Series 2024 Bonds.

CONTINUING DISCLOSURE

General

The City will enter into a continuing disclosure agreement (the "CDA") for the benefit of the Bondholders meeting the requirements for such agreements set forth in Securities and Exchange Commission Rule 15c2-12 (the "Rule"). A form of the proposed CDA is attached as APPENDIX D. The CDA will require the City to provide only limited information at specified times, and such information may not constitute all information necessary to determine the value at any time of the Series 2024 Bonds. Informational filings under the CDA will be made through the Electronic Municipal Market Access ("EMMA") system, established by the Municipal Securities Rulemaking Authority. The terms under which the CDA may be amended are set forth therein. The City may, in its discretion, file additional information, but it is not obligated to provide such additional information for the benefit of the holders of the Series 2024 Bonds.

The intent of the City's undertaking in the CDA is to provide on a continuing basis the information described in the Rule. Accordingly, the City has reserved the right to modify the disclosure hereunder or format thereof so long as any such modification is made in a manner consistent with the Rule. Furthermore, to the extent that the Rule no longer requires the issuers of municipal securities to provide all or any portion of the information the City has agreed to provide in the CDA, the obligation of the City to provide such information under the CDA also shall cease immediately.

The City has executed the CDA for the express purpose of conforming to the requirements of the Rule and not to create new contractual or other rights for the Trustee, any registered owner or beneficial owner of the Series 2024 Bonds, any municipal securities broker or dealer, any potential purchaser of the Series 2024 Bonds, the Securities and Exchange Commission or any other person. The sole remedy in the event of any actual or alleged failure by the City to comply with any provision of the CDA shall be an action for the specific performance of the City's obligations thereunder and not for money damages in any amount. Any failure by the City to comply with any provision of its undertakings shall not constitute an event of default under the CFC Indenture.

City Compliance with Prior Undertakings

The City has materially complied with its continuing disclosure undertakings in the last five years. However, the City discovered that the table titled "Historical Enplaned Passengers" included in the City's Fiscal Year 2021 annual disclosure related to its Airport Revenue Bonds, Series 2021A and Airport Revenue Bonds, Series 2021B was inaccurate. The City corrected the table and filed the information, as well as a material event notice, to EMMA on June 2, 2022. "HISTORICAL ENPLANED PASSENGERS" In connection with the issuance of the Series 2024 Bonds, it was discovered the same table was included in the same format in the City's Fiscal Year 2022 annual disclosure. While the City included a footnote with its required annual disclosure that not all information required to complete the table was available, the City's footnote might not have been clear as to the actual information reported. On April 10, 2024, the City filed a material event notice correcting the table and footnote in its Fiscal Year 2022 annual disclosure. The City has taken steps to ensure timely future compliance. A failure by the City to comply with the CDA must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2024 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2024 Bonds and their market price. See "APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT."

No Continuing Disclosure Undertakings by Airlines or Rental Car Companies

No airline or rental car company has made any agreement regarding the continuing disclosure of information for the benefit of the holders and beneficial owners of the Series 2024 Bonds. However, certain airlines and rental car companies operating at the Airport are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended. In accordance therewith, certain information, including financial information, concerning such airlines or their respective parent corporations, is disclosed in certain reports and statements filed with the Securities and Exchange Commission (the "SEC"). Such reports and statements can be inspected at the public reference facilities maintained by the SEC at 100 F Street, NE, Room 1580, Washington DC 20549. The SEC also maintains a website that contains information filed electronically with the SEC, which may be accessed via the Internet at http://www.sec.gov.[1] In addition, airlines are required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation. Such reports can be inspected at the following locations: Office of Aviation Information Management, Data Requirements and Public Reports Division; Research and Special Programs Administration, and the Department of Transportation, Room 4201, 400 Seventh Street, SW, Washington, DC 20590. Copies of such reports can be obtained from the Department of Transportation at prescribed rates. *The information under this caption is for informational purposes only, is not intended to be incorporated by reference into this Official Statement and will not be subject to update by the City.*

TAX MATTERS

No Federal Tax Exemption

Interest on the Series 2024 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code. Owners of the Series 2024 Bonds should be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2024 Bonds may have federal income tax consequences not described herein and should consult their own tax advisors with respect to federal income tax consequences of owning such Series 2024 Bonds. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Series 2024 Bonds other than as expressly described below.

State Tax Exemption

In the opinion of Bond Counsel, under laws of the State in effect as of the date of delivery of the Series 2024 Bonds, the Series 2024 Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof.

RATINGS

The Series 2024 Bonds have received a rating of "AA" by S&P with a stable outlook, based on the BAM Insurance Policy to be issued at the time of delivery of the Series 2024 Bonds, guaranteeing the scheduled payment of principal and interest. Moody's Investors Service, Inc. has assigned its underlying rating of "A3" with a stable outlook to the Series 2024 Bonds. Fitch Ratings Ltd., has assigned its underlying rating of "BBB+" with a stable outlook to the Series 2024 Bonds. Certain information was supplied by the City to such rating agencies to be considered in evaluating the Series 2024 Bonds.

The foregoing ratings express only the views of the rating agencies and are not recommendations to buy, sell or hold the Series 2024 Bonds. An explanation of the significance of each of the ratings may be obtained from the rating agency furnishing the rating. There is no assurance that such ratings will

[1] The SEC's website is provided for convenience only and is not incorporated into this Official Statement by this reference and is not a part hereof.

continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, or any of them, if, in their or its judgment, circumstances so warrant. Any downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2024 Bonds.

THE TRUSTEE

The City has appointed Zions Bancorporation, National Association, a national banking association organized under the laws of the United States, to serve as Trustee for the Series 2024 Bonds. The Trustee is to carry out those duties assignable to it under the CFC Indenture. The Trustee has not reviewed or participated in the preparation of this Official Statement and does not assume any responsibility for the nature, completeness, contents or accuracy of the Official Statement.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Series 2024 Bonds authenticated or delivered pursuant to the CFC Indenture or for the use or application of the proceeds of such Series 2024 Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2024 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets pledged or assigned as security for the Series 2024 Bonds, or the investment quality of the Series 2024 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

LEGAL MATTERS

Issuance of the Series 2024 Bonds is subject to receipt of the legal opinion of Skinner Fawcett LLP, Boise, Idaho, Bond Counsel, and to certain other conditions.

Certain legal matters will be passed upon for the City by Kelly Fleming, City Attorney. Certain legal matters will be upon for the Underwriter by Hawley Troxell Ennis & Hawley LLP.

FINANCIAL ADVISOR

PFM Financial Advisors, LLC, San Francisco, California is serving as financial advisor to the City in connection with the Series 2024 Bonds. The Financial Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the City, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Financial Advisor respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

UNDERWRITING

Raymond James & Associates, Inc., (the “Underwriter”), has entered into an agreement to purchase the Series 2024 Bonds pursuant to a Bond Purchase Agreement at an aggregate discount of $387,847.11 (0.450%) from the initial public offering price of the Series 2024 Bonds, derived from the information set forth on the inside cover of this Official Statement. The Bond Purchase Agreement provides that the Underwriter will be obligated to purchase all of the Series 2024 Bonds if any are purchased. The obligation of the Underwriter to accept delivery of and pay for the Series 2024 Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The public offering prices of the Series 2024 Bonds may be changed at the discretion of the Underwriter after an initial offering of the Series 2024 Bonds has been made at the prices shown on the inside cover page of this Official Statement. The Underwriter may sell the Series 2024 Bonds to certain dealers and dealer banks, including dealers depositing the Series 2024 Bonds into unit investment trusts, at prices lower than the initial public offering prices.

INDEPENDENT AUDITORS

The financial statements of the City as of September 30, 2022 and September 30, 2023 included in Appendix C to this Official Statement have been audited by Eide Bailly, independent auditors, as stated in their report appearing therein.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to purchasers of the Series 2024 Bonds. The summaries provided in this Official Statement and in the appendices attached hereto of the Series 2024 Bonds and the statutes, agreements, reports and other instruments referred to herein do not purport to be comprehensive or definitive, and all references to the statutes, agreements, reports and other instruments summarized are qualified in their entirety by reference to each such statute, agreement, report and instrument. All references to the Series 2024 Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the CFC Indenture.

Statements in this Official Statement, including matters of opinion, projections and forecasts, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City or the Underwriter and the purchasers of the Series 2024 Bonds. The preparation, execution and distribution of this Official Statement have been authorized by the City.

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Deputy City Treasurer

APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

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Appendix A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

CITY OF BOISE CITY, IDAHO

AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS
(CONRAC PROJECT)
Series 2024 (Federally Taxable)

Prepared for
City of Boise City, Idaho

Prepared by
LeighFisher
San Francisco, California

May 14, 2024

Leigh|Fisher

May 14, 2024

Ms. Rebecca Hupp
Airport Director
Boise Airport
3201 Airport Way
Boise, Idaho 83705-5096

Re: Report of the Airport Consultant, City of Boise City, Idaho
Airport Customer Facility Charge Revenue Bonds (ConRAC Project),
Series 2024 (Federally Taxable)

Dear Ms. Hupp:

We are pleased to submit this Report of the Airport Consultant on certain aspects of the proposed issuance of City of Boise City, Idaho (the City) Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable), referred to herein as the 2024 Bonds, in the aggregate principal amount of approximately $87.8 million*.

The proposed 2024 Bonds are being issued to finance the first phase of the development of a Consolidated Rental Car Facility (ConRAC Project) at Boise Airport (the Airport) as described below. The purpose of the Report of the Airport Consultant (the Report) is to present the results of our assessment of the City's ability to meet rate covenant requirements for the proposed 2024 Bonds.

The proposed 2024 Bonds are to be limited obligations of the City, secured only by a pledge of, and lien on: (1) revenues generated from the collection of a rental car customer facility charge (CFC) levied on customers of the rental car companies operating at the Airport, (2) any Deficiency Payments paid by the rental car companies, and (3) balances in certain funds and accounts established under the terms of the applicable Trust Indenture (the CFC Trust Indenture).

The proposed 2024 Bonds are not to be secured by the general revenues of Boise Airport, and are not to be a general obligation of the City. No tax revenues of the City are to be pledged to pay the principal of, interest on, or any premium on these Bonds. Furthermore, debt service payments on the proposed 2024 Bonds are not to be guaranteed by the State of Idaho.

This letter and the accompanying attachment and exhibits constitute our report (the Report).

THE CONRAC PROJECT

The ConRAC Project is being undertaken for three primary reasons: (1) to enhance the operational effectiveness of rental car operations at the Airport, providing a more streamlined and seamless experience for the segment of the traveling public that wishes to rent a vehicle at the Airport; (2) to meet current and anticipated demand for rental cars at the Airport; and (3) to enable the future

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* Preliminary, subject to change.

development of passenger terminal facilities at the Airport, namely the construction of a new terminal Concourse A.

The ConRAC Project is expected to be undertaken in two phases. The first phase consists of a new seven-level ready return garage; a connected rental car customer service building (CSB); an enclosed passenger walkway connecting to the terminal building; and surrounding site improvements. The total land area of the facility is approximately 164,000 square feet on the former Idaho Transportation Department (ITD) hangar site. Elements of the project include:

- A seven level parking garage totaling 550,000 square feet, with approximately 1,300 parking stalls (1,000 ready/return spaces and 300 vehicle storage spaces).
- Ready/return and staging areas for the rental car companies, with each company to be assigned a block area on single or multiple levels.
- A 20,000 square foot customer service building, with stairways and elevators to the garage areas.
- A vehicle ramp to the garage directly off Rickenbacker Street, and
- A 4,000 square foot covered walkway connecting the new rental car garage to the west end of the passenger terminal building, in the vicinity of the baggage claim area, allowing rental car customers to retrieve their checked luggage and then walk directly to the customer service building to check-in and rent vehicles.

The second phase of the project involves the development of quick turnaround (QTA) facilities for the rental car companies adjacent the new rental car parking garage.

Only the first phase of the ConRAC Project is being undertaken at this time, and is the subject of this proposed financing transaction. The second phase is expected to be undertaken in future years, subject to the continued growth of rental car activity at the Airport, the ability of Airport management to increase the CFC rate as needed to provide adequate debt service coverage for an additional series of Bonds under the CFC Trust Indenture, and general financial market conditions. The area designated for the Phase 2 development is currently being leased to another Airport tenant, and will not be available for this purpose until June 2027 at the earliest.

According to Airport management, the second phase of the ConRAC Project does not need to occur to allow adequate rental car operations at the Airport on a continuing basis. Until the second development phase occurs and enters service, the rental car companies operating at the Airport will continue to operate from their existing QTA facilities, which is less operationally efficient than having QTA facilities immediately adjacent to the rental car garage.

CONRAC PROJECT COSTS AND FINANCING

Phase 1 of the ConRAC Project is expected to cost approximately $110 million, with construction having commenced in April 2024, and be substantially complete by the Spring of 2026.

Total planning, programming, permitting, and design costs for the project are estimated to be $10.7 million; the project design is substantially complete.

As of March 1, 2024, a total of $10.4 million has been spent on the project.

Construction is being undertaken on a "construction manager at risk" basis, with a construction manager agreement and three guaranteed maximum price (GMP) contracts, as follows:

- GMP Contract 1 – Utility relocation, excavation, road improvements, building demolition, soil improvements, and other fixed job specific expenses to support construction activities for the duration of the ConRAC Project. This contract for $16.3 million was executed by the City and the contractor in November 2023.
- GMP Contract 2 – Foundations and long lead time procurement items such as elevators, electrical gear, and structural steel. This contract for $7.1 million was executed by the City and the contractor in January 2024.
- GMP Contract 3 – Alternate ramp, ready/return garage, customer service building, full length connecting walkway, generator/UPS, and canopy demolition. This contract for $64.7 million was executed by the City and the contractor in April 2024.

The primary funding sources for Phase 1 of the ConRAC Project are expected to be: (1) proceeds from the sale of the proposed 2024 Bonds, (2) accumulated CFC Collections through the in-service date on a pay-as-you-go basis, and (3) CFC cash balances on hand ($17.1 million as of March 1, 2024).

The estimated costs and sources of funding for Phase 1 of the ConRAC Project are shown in the table below.

ESTIMATED PHASE 1 PROJECT COSTS AND FUNDING

Planning, design, and pre-construction activities	$ 10,718,320
Construction	
GMP Contract 1	$ 16,277,832
GMP Contract 2	7,055,556
GMP Contract 3	64,696,842
	$ 88,030,230
Inspections, testing, commissioning	3,069,129
Power and utilities	637,354
Canopy demolition	1,000,000
Boise City IT infrastructure	750,000
Other miscellaneous items	56,138
Escalation allowance	3,228,336
Contingencies	2,510,493
Total estimated costs	**$ 110,000,000**
Amount spent through 3/1/24	10,441,199
Estimated expenditures remaining (FY 2024 to FY 2026)	**$ 99,558,801**

SOURCES OF FUNDS FOR PHASE 1

2024 Bond net proceeds	$ 70,000,000
CFC cash (pay-as-you-go) (a)	40,000,000
Total estimated funding sources	**$ 110,000,000**

(a) Including $10.4 million spent as of March 1, 2024.
Source: Boise Airport, May 2024.

CUSTOMER FACILITY CHARGES

CFC collections consist of the per rental car transaction day* fees collected from rental car customers, and accounted for and remitted by the rental car companies to the Airport, as originally approved by the City in 2003, and subsequently amended on several occasions as shown in the table below.

HISTORICAL CFC LEVEL

CFC charge effective date	CFC per transaction-day
July 1, 2003	$1.20
May 1, 2020	3.25
September 1, 2021	4.25
July 1, 2022	6.00
April 1, 2023	6.50
January 1, 2024	7.95

Source: Boise Airport.

The City raised the CFC to $7.95 per transaction-day effective as of January 1, 2024, pursuant to a Resolution adopted by the City Council on November 14, 2023. The charge is limited to the first 14 days per rental car customer contract. At its meeting on April 30, 2024, City Council approved further increases in the CFC to $8.95 per transaction day on October 1, 2024 (the start of the City's FY 2025), and to $9.95 per transaction day on April 1, 2026. The financial forecasts discussed in the Report assume that such increases will go into effect on those dates. An in-service date of April 1, 2026, for Phase 1 of the ConRAC Project was assumed for purposes of the financial analysis described in this Report.

During FY 2022, rental car transaction days at the Airport totaled 851,824 million and CFC collections totaled $4.1 million. During FY 2023, rental car transaction days totaled 914,747, and CFC collections totaled $5.7 million. The growth in transaction days reflects continued recovery from the impact of the COVID-19 pandemic, which temporarily severely impacted aviation activity throughout the nation and the world.

*A "transaction day" is the 24-hour period or fraction thereof for which a rental car customer is provided the use of a vehicle 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 such rental is calculated as a transaction day, and is subject to collection of the per transaction day CFC.

Overall, aviation activity at Boise Airport during FY 2023 exceeded activity levels for FY 2019 – the last full fiscal year prior to the onset of the pandemic.

RENTAL CAR AGREEMENTS

On May 21, 2024, Boise City Council is expected to approve Non-Exclusive On-Airport Vehicle Rental Services Concession and Lease Agreements (the New RAC Agreement), with the rental car companies currently operating at the Airport, governing the terms and conditions under which the ConRAC is to be developed, operated, and maintained. Signed copies of this document have already been provided by the rental car companies to the City.

The companies currently providing rental car service at the Airport are:

- Avis Budget Car Rental LLC (operating the Avis and Budget rental car brands)
- Enterprise Rent-A-Car Company of UT, LLC (operating the Enterprise, Alamo, and National rental car brands), and
- Overland West, Inc. (operating the Hertz, Dollar, and Thrifty rental car brands under license from the Hertz Corporation)

An additional rental car company, Sixt Rent a Car LLC, has also signed a New RAC Agreement with the City and plans to enter the Boise Airport rental car market, operating from the ConRAC facility once it in in service.

The New RAC Agreement extends for a term of 30 years from the date of issuance of the 2024 Bonds, and incorporates provisions relating to, among other matters, the following:

- Permitted uses of the facility by the rental car companies.
- The space to be occupied by each rental car company within the facility.
- The conditions under which space may be reallocated from one company to another.
- Maintenance and operating responsibilities of the Airport and the rental car companies (including the specific services to be provided by the Airport related to operation of the facility).
- Environmental requirements.
- The calculation of rentals, fees, and charges to be paid by the rental car companies for use of the facility, including the obligation to collect and remit CFCs to the Airport, and to make Deficiency Payments (if necessary).

As set forth in the New RAC Agreement, the rental car companies must collect and remit to the City CFCs paid by customers for automobiles delivered to, rented at, or picked up at the ConRAC. As also set forth in the New RAC Agreement, the City may, at its sole discretion, increase the CFC level from time to time and a Deficiency Payment may be required from the rental car companies, under certain circumstances, in response to a significant shortfall in rental car transactions and CFC revenues.

The New RAC Agreement also includes the obligation of the rental car companies to continue to pay 10% of gross receipts from their operations at the Airport to the City, as a privilege fee. The rental car privilege fees are Airport revenues and are not pledged to the 2024 Bonds.

The New RAC Agreement is pending final execution by the City.

PROPOSED 2024 BONDS

The proposed 2024 Bonds are to be limited obligations of the City, secured only by a pledge of: (1) the revenues generated from the collection of the CFC levied on customers of the rental car companies operating at the Airport, (2) any Deficiency Payments by the rental car companies, and (3) balances in certain funds and accounts established under the terms of the CFC Trust Indenture. ***The proposed 2024 Bonds will not be secured by the general revenues of the City or of the Airport, or by the taxing authority of any governmental entity in the State of Idaho.***

The CFC Trust Indenture

The proposed 2024 Bonds are to be issued in accordance with the CFC Trust Indenture adopted by the City as Issuer and Zions Bancorporation, N.A., as Trustee on June 1, 2024. The proposed 2024 Bonds (and any Additional Bonds, other than Subordinate Bonds, issued by the City under the terms of the CFC Trust Indenture) are to be secured by a pledge of certain revenues, as described above.

Rate Covenant

The City has covenanted in the Rate Covenant section of the CFC Trust Indenture that, so long as any Bonds issued under the terms of the CFC Trust Indenture remain outstanding, it will set the level of the CFC such that, together with projected Deficiency Payments (if any), sufficient moneys will be generated to make certain deposits to funds and accounts in each Fiscal Year. Further, the City has covenanted that:

> Rates and charges for services rendered by the Issuer related to the CFC Facilities shall be reasonable and just, taking into account the cost and value of the CFC Facilities, operation and maintenance expenses, possible delinquencies, proper allowances for depreciation, contingencies, and the amounts necessary to meet all Aggregate Debt Service Requirements. There shall be charged against all users, including the State and its subdivisions, as long as the Bonds are Outstanding, rates and charges sufficient to produce said Pledged Revenues at least equal to 125% of the Aggregate Debt Service Requirements for the applicable Fiscal Year.

Additional Bonds

The City may issue additional Bonds on parity with the proposed 2024 Bonds in accordance with the Section 2.11 of the CFC Trust Indenture. Additional Bonds may be issued to finance completion of the ConRAC Project, an improvement or expansion to the ConRAC (or a facility related to the ConRAC approved by the City), repairs or extraordinary maintenance for the ConRAC, the refunding of Outstanding Bonds under the CFC Trust Indenture, or to pay related issuance costs or meet Bond reserve funding requirements.

The City currently anticipates the need to issue Additional Bonds to undertake the second phase of the ConRAC Project (entailing the construction of new QTA facilities for the rental car companies adjacent to the ConRAC garage) at a future date, but no earlier than June 2027. Phase 2 of the project is expected to be completed within approximately a two-year construction schedule. As the planning activities and project budget for Phase 2 are still in process, debt service and coverage projections associated with this phase are not reflected in this Report. Phase 2 will only be undertaken when it is financially viable to do so, as evidenced by future aviation activity levels, rental car transaction day trends, the ability of the City to increase the CFC rate in comparison to peer airports and industry ranges to provide sufficient debt service coverage on the Additional Bonds as well as the 2024 Bonds, and general financial market conditions.

The City may refinance the proposed 2024 Bonds or other Bonds to be issued under the terms of the CFC Trust Indenture, from time to time, based on financial market conditions.

Subordinate Bonds and Debt

The CFC Trust Indenture also provides for the City to issue additional debt subordinate to the proposed 2024 Bonds (Subordinate Bonds). Any Subordinate Bonds, or other subordinated debt, would be repaid, with interest, from CFC Revenues on a subordinated basis to the 2024 Bonds. The City does not currently anticipate the need to issue Subordinate Bonds under the CFC Trust Indenture.

SCOPE OF STUDY

Our report was prepared to address the ability of the City to meet the requirements of the Rate Covenant of the CFC Trust Indenture during the forecast period, FY 2024 through FY 2030. In conducting our study, we assessed:

- Historical and future enplaned and deplaned passenger and visiting O&D passenger traffic demand at the Airport, giving consideration to the demographic and economic characteristics of the Airport service region, historical trends in airline traffic, recent airline service developments and airfares, the economic outlook for the nation and the Boise area, and other key factors that may affect future visiting passenger traffic.
- Historical relationships among and between enplaned and deplaned passengers, visiting O&D passengers, rental car transactions, and rental car transaction days for the Airport.
- The facilities expected to be provided as part of the ConRAC Project.
- The current development status and estimated costs of Phase 1 of the ConRAC Project.
- Estimated sources and uses of funds and annual debt service requirements for the proposed 2024 Bonds in each Fiscal Year of the forecast period.
- Historical and estimated future CFC Collections, and the use of CFC Revenues to pay debt service requirements, as well as a portion of the development costs of the ConRAC Project on a pay-as-you-go basis.
- The City’s authorizing ordinance and resolution (as amended) for implementing a CFC at the Airport.
- The New RAC Agreement between the City and each rental car company related to development of the ConRAC and their operations on the Airport.

We have relied upon the City for estimates of ConRAC Project costs and construction schedules, and upon the City and its registered municipal adviser and underwriters for the proposed 2024 Bonds for the plan of debt finance and estimated debt service requirements for the proposed 2024 Bonds, as noted on the financial exhibits presented at the end of the Report.

In conjunction with Airport management, we also identified the key factors upon which the future financial results of the ConRAC Project may depend and the formulation of assumptions about these factors. On the basis of these assumptions, we assembled the financial forecasts presented in the exhibits accompanying this Report.

SUMMARY OF FINANCIAL FORECASTS

It is forecast that: (1) CFC Revenues are to be sufficient to pay Aggregate Debt Service requirements on the proposed 2024 Bonds, as well as to make other required deposits, and (2) CFC Revenues are to be sufficient to meet or exceed the requirements of the Rate Covenant of the CFC Trust Indenture. The forecasts show compliance with the Rate Covenant provisions of the CFC Trust Indenture in each year of the forecast period.

The table below summarizes forecasts of rental car transaction days, CFC Revenues, Aggregate Debt Service on the proposed 2024 Bonds, and debt service coverage in accordance with the Rate Covenant, throughout the forecast period. As noted earlier, an increase in the CFC transaction-day from $7.95 to $8.95 on October 1, 2024; and a further increase to $9.95 on April 1, 2026 – both increases as approved by City Council on April 30, 2024 – were assumed for purposes of this analysis.

SUMMARY OF THE FINANCIAL FORECASTS

	Forecast						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Rental car transaction days	953,016	981,950	1,010,884	1,039,819	1,068,753	1,097,687	1,126,621
Percentage change from prior year		*3.0%*	*2.9%*	*2.9%*	*2.8%*	*2.7%*	*2.6%*
CFC rate per transaction day (a)	$6.50/$7.95	$ 8.95	$8.95/$9.95	$ 9.95	$ 9.95	$ 9.95	$ 9.95
CFC Revenues	$ 7,231,009	$ 8,788,453	$ 9,552,854	$10,346,199	$10,634,092	$10,921,986	$11,209,879
Debt Service on the 2024 Bonds	$ -	$ -	$ 2,561,244	$ 7,146,985	$ 7,285,785	$ 7,284,802	$ 7,283,396
Debt service coverage (b)			3.73	1.45	1.46	1.50	1.54
Debt Service Coverage requirement			*1.25*	*1.25*	*1.25*	*1.25*	*1.25*

(a) Assuming an increase to $8.95 on October 1, 2024; a further increase to $9.95 on April 1, 2026; and constant thereafter, with no Deficiency Payments needed from the rental car companies.
(b) Debt service coverage based on cash flow (excluding Coverage Account balances).

ASSUMPTIONS UNDERLYING THE FINANCIAL FORECASTS

The financial projections accompanying this report are based on information and assumptions that were provided by, or reviewed with and agreed to by, the City's Aviation Division. Accordingly, the projections reflect the City's expected course of action during the projection period and, in the City's judgement, present fairly the expected financial results of the ConRAC Project. The key factors and assumptions that are significant to the projections 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 projections and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the forecast. However, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecast will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material. 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 for events and circumstances occurring after the date of the report.

* * * * *

We appreciate the opportunity to serve the City of Boise City as the Airport Consultant for this proposed financing.

Respectfully submitted,

LeighFisher

LEIGHFISHER

BACKGROUND, ASSUMPTIONS, AND RATIONALE FOR THE FINANCIAL FORECASTS

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

CITY OF BOISE CITY, IDAHO

AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS
(CONRAC PROJECT)
SERIES 2024 (Federally Taxable)

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TABLES

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BACKGROUND

THE CITY AND AIRPORT COMMISSION

Located in the southwest portion of the State of Idaho, the City of Boise City (the City or Boise) was created in 1866 by authority of the Idaho Constitution. The City is located in Ada County and is Idaho's capital and largest metropolitan area. The City is governed by a mayor and six City Council members. The Mayor and the City Council members each serve a 4-year term.

Since 1939, Boise Airport has been owned and operated by the City. The Airport is operated as an economically self-sustaining enterprise fund of the City. The Airport Director manages the day-to-day operations of the Airport, under the supervision of an eight-member Airport Commission. With consent of the City Council, the Mayor appoints up to eight members of the Commission to serve in an advisory function. Each member of the Commission serves a 3 year term. Two members of the City Council participate on the Airport Commission as nonvoting members.

THE AIRPORT

The Airport is located about 5 road miles south of downtown Boise, and is the principal air carrier airport serving southwestern Idaho. The Airport occupies about 5,000 acres and has two east-west parallel runways. Runway 10R/28L is 9,763 feet long and Runway 10L 28R is 10,000 feet long. Both runways are 150 feet wide and, together with all associated approach surfaces and runway protection zones, meet all FAA standards. A lighted taxiway system connects the runway to the passenger terminal building.

The terminal was expanded in 2004 to provide a new elevated roadway system, ticket lobby, baggage claim, concessions, conference center, security checkpoint, and 12 gates for use by smaller aircraft on Concourse C. Concourse B provides 10 gates with loading bridges for use by larger aircraft. The terminal and concourses encompass 373,580 square feet of space and provide a total of 22 aircraft gates.

Vehicle parking for the passenger terminal complex includes public, employee and rental car space. A total of 203 parking stalls are provided for short-term public parking. The parking garages and surface parking together provide a total of 3,476 parking stalls for long-term parking. In addition, the surface economy parking lot, which is located approximately 1.5 miles from the Airport terminal, has 1,957 spaces. An employee parking garage consisting of 703 spaces opened in April 2024.

Air cargo, general aviation, and support facilities are provided at the Airport. The Idaho National Guard also has significant operations at the Airport, and has control over approximately 570 acres of the Airport. The National Interagency Fire Center – an organization which fights forest fires and other catastrophes – bases a variety of specialized fire-fighting aircraft at the Airport.

RENTAL CAR OPERATIONS AT THE AIRPORT

Currently, rental car operations at Boise Airport consist of a 12,000 square foot area within the Terminal that includes customer queuing, customer service desks, and office areas for each of the rental car companies. The customer service area is located at the east end of the first level of the Terminal. Access to the ready/return lot is at the west end of the Terminal, just beyond baggage claim. The current ready/return lot consists of 487 stalls and kiosks for the different rental car companies. Figure 1 shows the current layout of rental car operations at the Airport.

Figure 1
CURRENT LAYOUT OF RENTAL CAR OPERATIONS
Boise Airport

The City has executed Automobile Rental Concession Agreements (the Current Rental Car Agreement) with three companies covering eight different rental car brands (Avis and Budget; Enterprise, Alamo, and National; Hertz, Dollar and Thrifty) to operate rental car concessions at the Airport. The Hertz family brands are operated at the Airport by Overland West, Inc. as a brand licensee. Under the Current Rental Car Agreement, the City receives privilege fees of 10% of gross revenues subject to a minimum monthly guarantee, plus terminal rent and ground rentals.

The Current Rental Car Agreement became effective on October 1, 2021, and expires on September 30, 2026. It would be terminated early if the ConRAC facility enters service before September 30, 2026, as is currently expected to be the case.

CONSOLIDATED RENTAL CAR FACILITY

The ConRAC Project is expected to be undertaken in two phases. The first phase consists of new seven-level ready return garage; a connected rental car customer service building (CSB); an enclosed passenger walkway connecting to the terminal building; and surrounding site improvements. The total land area of the facility is approximately 164,000 square feet on the former Idaho Transportation Department (ITD) hangar site. Elements of the project include:

- A seven level parking garage totaling 550,000 square feet, with approximately 1,300 parking stalls (1,000 ready/return spaces and 300 vehicle storage spaces).
- Ready/return and staging areas for the rental car companies, with each company to be assigned a block area on single or multiple levels.
- A 20,000 square foot customer service building, with stairways and elevators to the garage areas
- A vehicle ramp to the garage directly off Rickenbacker Street, and
- A 4,000 square foot covered walkway connecting the new rental car garage to the west end of the passenger terminal building, in the vicinity of the baggage claim area, allowing rental car customers to retrieve their checked luggage and then walk directly to the customer service building to check-in and rent vehicles.

The second phase of the project involves the development of quick turnaround (QTA) facilities for the rental car companies adjacent the new rental car parking garage. Only Phase 1 is being undertaken at this time.

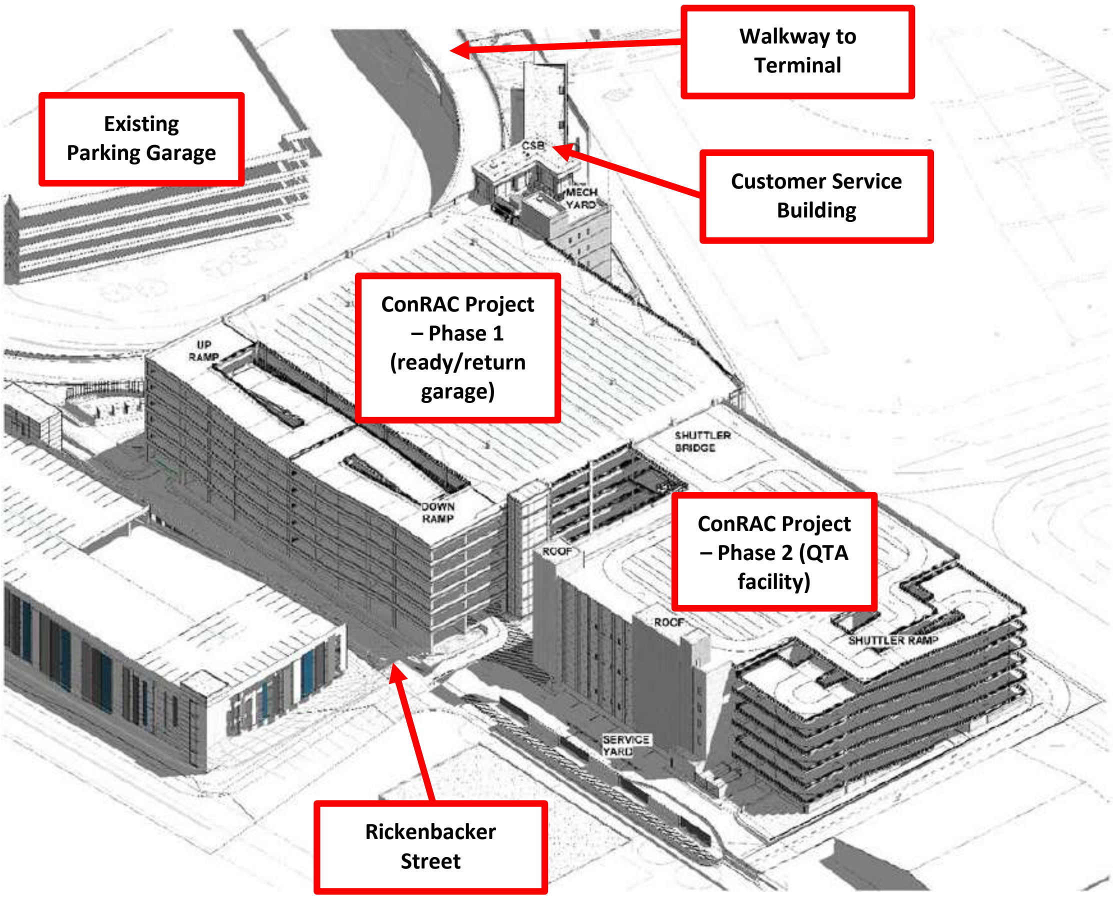
Figure 2 shows the proposed layout of rental car operations at the Airport, including both phases of the ConRAC Project.

The ConRAC Project is expected to result in rental car capacity on the Airport more than doubling, from 487 ready/return parking stalls currently to approximately 1,000 stalls when Phase 1 of the project is completed. Additionally, there will be more than 400 staging and storage stalls available after completion of Phase 2 of the project.

Figure 2

FUTURE PROPOSED LAYOUT OF RENTAL CAR OPERATIONS

Boise Airport



BASIS FOR VISITING AIRLINE PASSENGER DEMAND

This proposed financing will be primarily supported by the rental car Customer Facility Charge (CFC) 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 43% 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

As shown on Figure 3, the primary geographical area served by the Airport consists of Ada, Boise, Canyon, Gem and Owyhee counties in Idaho (the Boise Metropolitan Statistical Area or MSA). According to the U.S. Department of Commerce, Bureau of the Census, the population of the Boise MSA was 824,657 in 2023, accounting for approximately 42% of Idaho's total population of 2.0 million. Ada County includes the City of Boise and accounts for approximately 64% of the population of the Boise MSA, as shown in Table 1.

Table 1
POPULATION DISTRIBUTION IN THE BOISE MSA
2023

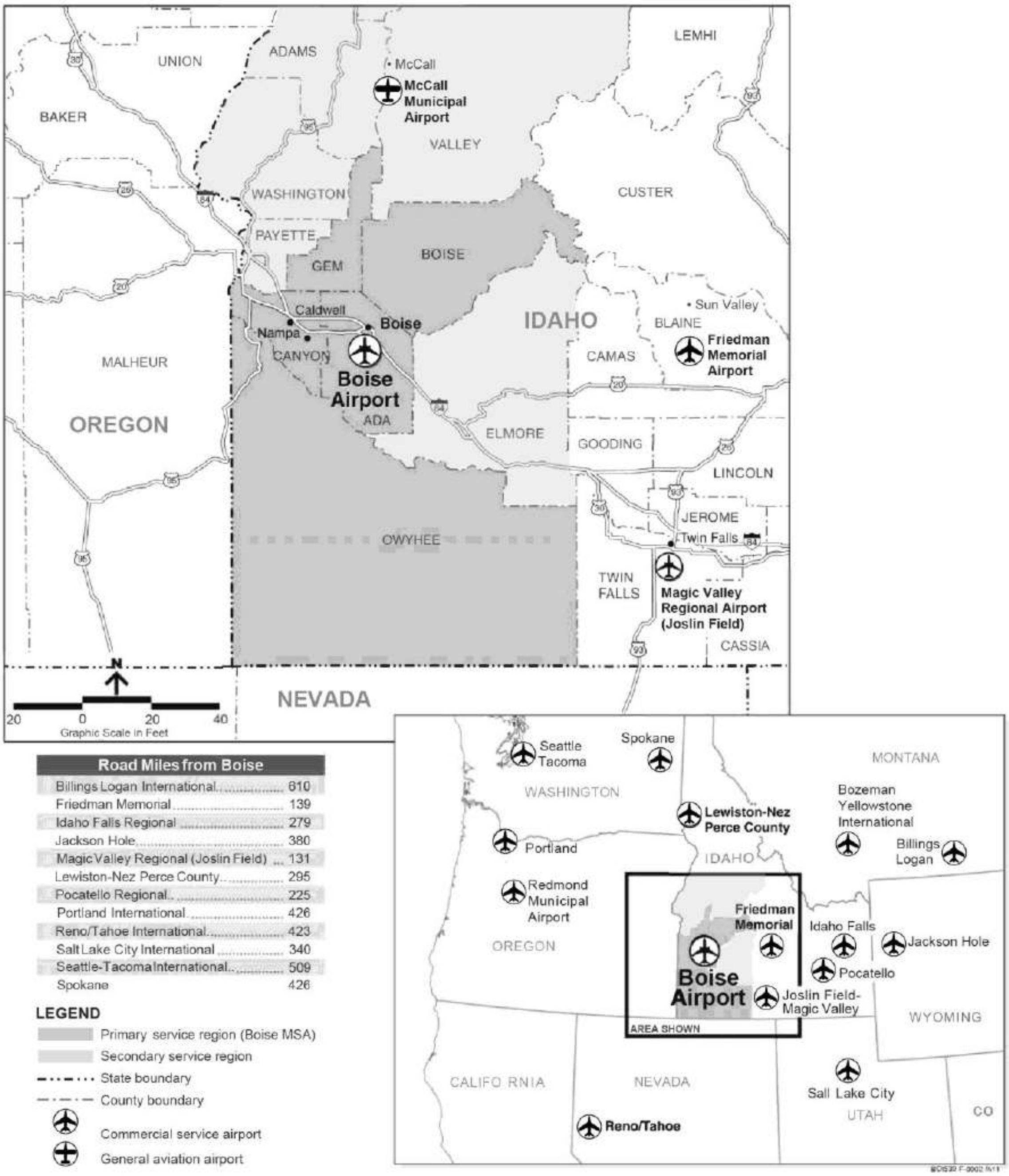
County	Population	Percent of total
Ada	524,673	63.6%
Canyon	257,674	31.2
Gem	21,071	2.6
Owyhee	12,722	1.5
Boise	8,517	1.0
Total	824,657	100.0%

Source: U.S. Department of Commerce, Bureau of the Census, Population Division, accessed May 2024, www.census.gov.

The secondary region served by the Airport, which includes several counties surrounding the Boise MSA that together had a population of 86,000 in 2023, is defined by the location of, and the airline service offered at, other "nearby" air carrier airports. The nearest airports with scheduled air carrier service to the Airport are in Hailey and Twin Falls, Idaho, more than 130 miles from Boise, and offer an average of 6 and 2 daily departures, respectively, in June 2024 (compared to an average of 80 at the Airport). During the 12 months ended September 30, 2023, the Airport accounted for 84% of enplaned passengers at the six commercial service airports in Idaho.* Airports with higher levels of scheduled service are much farther away, and include Salt Lake City International Airport, a large-hub airport 340 miles to the southeast, Reno/Tahoe International Airport, a medium-hub airport 423 miles to the southwest, Portland International Airport, a medium-hub airport 426 miles to the northwest, and Spokane International Airport, a small-hub airport 426 miles to the north. The average numbers of daily departures from each of these airports, as currently scheduled for June 2024, are listed in Table 2.

* Even though it is deplaning passengers who rent cars at the Airport, all analyses of passenger traffic herein are in terms of enplaned passengers. Enplanements are the standard industry measure for traffic but, at the Airport, the number of deplaned passengers is virtually the same as the number of enplaned passengers.

Figure 3
AIRPORT SERVICE REGION



Road Miles from Boise	
Billings Logan International	610
Friedman Memorial	139
Idaho Falls Regional	279
Jackson Hole	380
Magic Valley Regional (Joslin Field)	131
Lewiston-Nez Perce County	295
Pocatello Regional	225
Portland International	426
Reno/Tahoe International	423
Salt Lake City International	340
Seattle-Tacoma International	509
Spokane	426

Table 2

ENPLANED PASSENGERS AT COMMERCIAL SERVICE AIRPORTS IN IDAHO AND THE ADJACENT STATES

Airport	Driving distance from Boise (miles)	2022 Hub size *(a)*	FY 2023 Enplaned passengers *(b)*	Average daily passenger airline nonstop departures in June 2024 *(c)*				
				U.S. mainline carriers	U.S. regional affiliates	U.S. low cost carriers	Foreign -flag carriers	Total
Idaho								
Boise	--	Medium	2,352,229	20	42	18	–	80
Idaho Falls Regional	279	Nonhub	269,214	–	11	2	–	13
Hailey/Friedman Memorial	139	Nonhub	108,184	0	6	–	–	6
Lewiston-Nez Perce County	295	Nonhub	32,958	–	3	–	–	3
Magic Valley Regional	131	Nonhub	16,763	–	2	–	–	2
Pocatello Regional	225	Nonhub	13,240	–	2	–	–	2
Adjacent states								
Seattle-Tacoma International	509	Large						
Salt Lake City International	340	Large	24,267,235	400	173	40	33	645
Portland International	426	Medium	12,773,077	191	91	52	2	335
Reno/Tahoe International	423	Medium	7,929,698	102	73	48	10	233
Spokane International	426	Small	2,237,153	22	15	30	1	68
Bozeman Yellowstone Int'l.	462	Small	1,988,261	23	28	12	–	62
Redmond	330	Small	1,212,079	20	7	10	–	37

Note: Fiscal Year ended September 30.

(a) Federal Aviation Administration, 2023 Passenger Boarding (Enplanement) and All-Cargo Data for U.S. Airports, www.faa.gov.

(b) Boise Airport records and U.S. Department of Transportation, Schedule T100, online database, accessed January 2024. Includes domestic and international activity.

(c) Airline Schedules, Airline Data Inc., accessed May 2024.

DEMOGRAPHIC AND ECONOMIC PROFILE

Demographic and economic trends correlate with business and leisure travel by both residents and visitors. Travel to the region for business and leisure purposes is related to the health of the broader economies of Idaho 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 Boise MSA. The Boise MSA's unemployment rate has historically been similar to the national average. In addition, tourism, government (Boise is the state capital of Idaho), and business-related travel generate visitors to the Boise MSA.

HISTORICAL POPULATION, EMPLOYMENT, AND PER CAPITA INCOME

Table 3 presents comparative trends in population, nonagricultural employment, and per capita personal income in the Boise MSA, the State of Idaho, and the United States from 2000 through 2030.

Population. As shown in Table 3, the population of the Boise MSA increased an average of 2.5% per year between 2000 and 2023, faster than population growth of the State and the nation. Strong population growth in the Boise MSA and State of Idaho has, in large part, been driven by the migration of people from other states for the comparatively low cost of living, low real estate prices, and high quality of life. Population in the Boise MSA was projected by Community Planning Association of Southwest Idaho (COMPASS) to increase an average of 1.1% per year between 2023 and 2030.

Per Capita Personal Income. From 2000 to 2022 (the most recent year available), per capita personal income (in 2023 dollars) in the Boise MSA increased an average of 0.8% per year, as shown in Table 3. In 2022, the average per capita income in the Boise MSA exceeded that of the State but was less than that of the nation.

Per Capita Gross Domestic Product. Between 2017 and 2022 (the most recent year available), per capita GDP for the Boise MSA increased 36%, compared to an increase of 28% for the nation. In 2022, per capita GDP for the Boise MSA was $61,561, 20% lower than the $77,243 for the nation.

Employment. Nonagricultural employment in the Boise MSA increased an average of 2.3% per year between 2000 and 2023, faster than that of the State (1.8%) and of the nation (0.7%), as shown in Table 3. In 2020, nonagricultural employment in the Boise MSA decreased 0.4% (compared to a nationwide decrease of 5.8%) due to the COVID-19 pandemic and associated economic recession, however strong growth in employment resumed in 2021. Nonagricultural employment in the Boise MSA was projected by COMPASS to increase an average of 1.1% per year between 2023 and 2030.

Unemployment Rates. In addition to the employment trends cited above, the unemployment rate is also indicative of the general economic climate. Figure 3 shows comparative annual unemployment rates in the Boise MSA, the State, and the nation for 2000 through 2023. The unemployment rate in the Boise MSA has historically followed the trends of the State and remained consistently lower than that of the nation. In the 2023, the Boise MSA unemployment rate averaged 3.0% which was lower than that of the State (3.1%) and of the nation (3.6%).

Table 3

HISTORICAL AND PROJECTED SOCIOECONOMIC DATA

Boise MSA, State of Idaho, and United States

	Population (thousands)			Nonagricultural employment (thousands)			Per capita income in 2023 dollars		
	Boise MSA	State of Idaho	United States	Boise MSA	State of Idaho	United States	Boise MSA	State of Idaho	United States
2000	469	1,299	282,162	232	560	132,011	52,218	44,483	54,059
2010	617	1,568	308,746	253	603	130,345	46,854	44,646	56,673
2015	675	1,652	320,739	292	672	141,824	52,174	49,929	61,785
2016	692	1,684	323,072	305	694	144,335	52,620	50,371	62,171
2017	710	1,720	325,122	317	715	146,607	53,724	51,237	63,402
2018	730	1,752	326,838	332	739	148,908	55,178	52,505	64,687
2019	750	1,789	328,330	345	760	150,904	57,011	54,726	66,203
2020	770	1,849	331,527	345	755	142,186	60,711	58,497	69,639
2021	797	1,904	332,049	366	797	146,285	63,882	60,881	72,447
2022	811	1,939	333,271	384	828	152,520	62,031	58,946	68,168
2023	825	1,965	334,915	392	846	156,051	n.a.	59,035	68,531
2030 Proj.	890	2,108	350,024	422	988	159,140	n.a.	n.a.	75,387
				Percent increase (decrease)					
2019-2020	2.7%	3.4%	1.0%	(0.2%)	(0.7%)	(5.8%)	6.5%	6.9%	5.2%
2020-2021	3.5	3.0	0.2	6.2	5.6	2.9	5.2	4.1	4.0
2021-2022	1.8	1.8	0.4	4.9	3.9	4.3	(2.9)	(3.2)	(5.9)
2022-2023	1.6	1.3	0.5	2.2	2.3	2.3	n.a.	0.2	0.5
				Compound annual percent increase (decrease)					
2000-2010	2.8%	1.9%	0.9%	0.9%	0.7%	(0.1%)	(1.1%)	0.0%	0.5%
2010-2019	2.2	1.5	0.7	3.5	2.6	1.6	2.2	2.3	1.7
2019-2023	2.4	2.4	0.5	3.2	2.7	0.8	2.9*(a)*	1.9	0.9
2000-2023	2.5	1.8	0.7	2.3	1.8	0.7	0.8*(a)*	1.2	1.0
2023-2030	1.1	1.0	0.6	1.1	2.2	0.3	n.a.	n.a.	1.3

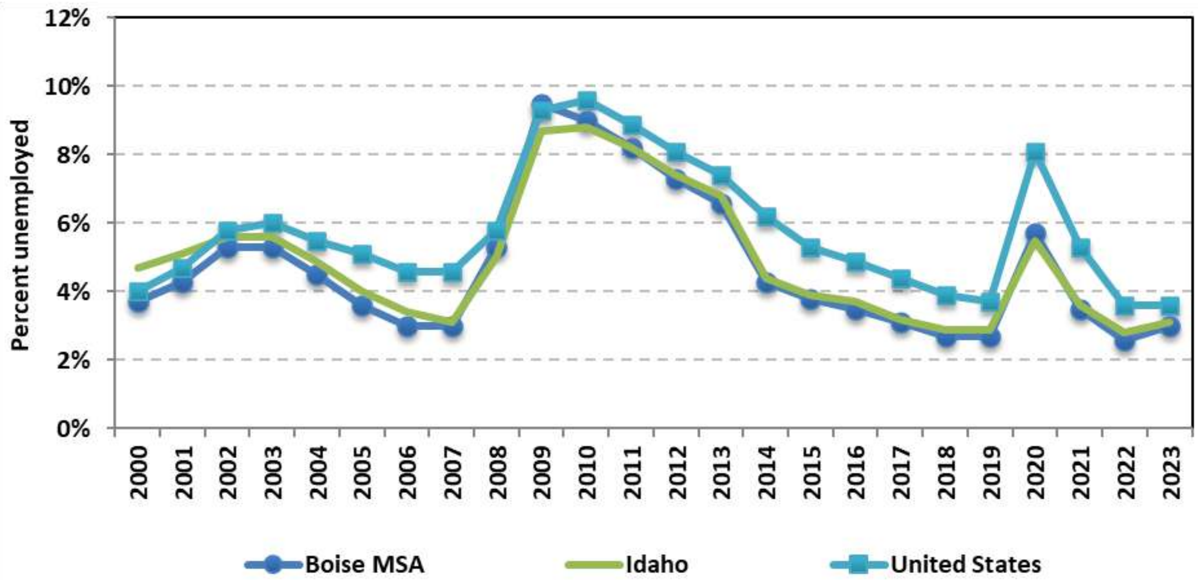
MSA = Metropolitan Statistical Area, consisting of Ada, Boise, Canyon, Gem, and Owyhee counties. n.a. = not available

(a) Compound annual percent increase through 2022, the most recent data available.

Sources: U.S. Department of Commerce, Bureau of the Census, www.census.gov; U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov; U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov, accessed May 2023. Adjusted to constant 2023 dollars using the U.S. Department of Labor, Consumer Price Index for Urban Consumers (1982-84 = 100), www.bls.gov. Idaho Division of Financial Management, Idaho Economic Forecast Volume XVI, No. 1, January 2024. Community Planning Association of Southwest Idaho (COMPASS), Communities in Motion 2050, www.compassidaho.org. U.S. Department of Commerce, Bureau of the Census, 2017 National Population Projections, September 2018. U.S. Department of Labor, Bureau of Labor Statistics, Employment Projections: 2022-2032, September 2023. IHS Markit as reported by Federal Aviation Administration, FAA Aerospace Forecast, Fiscal Years 2024–2044, April 2024, www.faa.gov

Figure 4

COMPARATIVE UNEMPLOYMENT RATES



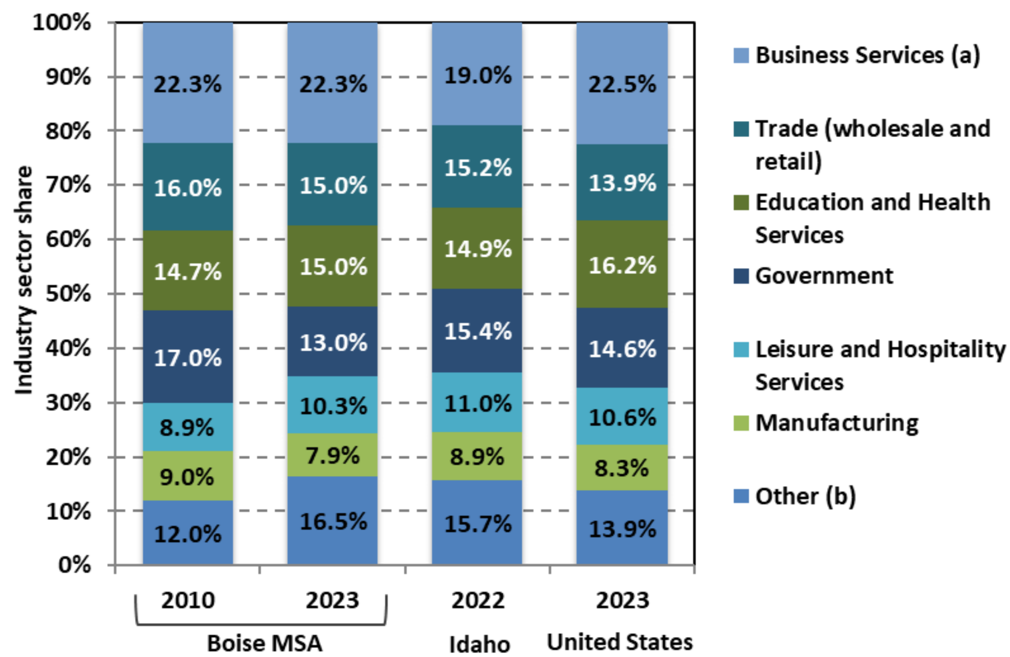
MSA = Metropolitan Statistical Area, consisting of Ada, Boise, Canyon, Gem and Owyhee counties.

Note: Unemployment rates are for calendar years and not seasonally adjusted and represent annual averages.

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, May 2024.

Nonagricultural Employment by Industry Sector. Figure 5 shows a comparative distribution of nonagricultural employment by industry sector for the Boise MSA in 2010 and in 2023, and for the State and the nation in 2023. Employment in the services sector (47.6%)—including business, education, health, and other services, including leisure and hospitality—and the trade sector (15.0%) accounted for 62.6% of total nonagricultural employment in the Boise MSA in 2023.

Figure 5
COMPARATIVE DISTRIBUTION OF NONAGRICULTURAL EMPLOYMENT



(a) Includes professional and business services, financial activity, and information.
(b) Includes mining, construction, transportation, public utilities, and other services.
Source: U.S. Department of Labor, Bureau of Labor Statistics website, accessed May 2024, www.bls.gov.

Major Employers. Table 4 lists the largest employers (as ranked by the number of employees) in the Boise MSA in 2023. The list of major employers reflects the diversity of the companies and organizations in the region. Two of these employers, Albertsons and Micron Technology, are Fortune 500 companies headquartered in Boise. Other large employers headquartered in Boise are J.R. Simplot Company, Lamb Weston, and Boise Cascade.

Table 4
BOISE MSA TOP 20 LARGEST PRIVATE EMPLOYERS IN 2023

Employer	Employment range	Industry
St Luke's Health Systems	6,000-6,999	Health Services
Micron Technology	5,000-5,999	Manufacturing
St Alphonsus Regional Medical Center	5,000-5,999	Health Care
Albertsons	3,000-3,999	Retail Trade
Wal-Mart	3,000-3,999	Retail Trade
J R Simplot Company	2,000-2,099	Manufacturing
Fred Meyer	1,500-1,599	Retail Trade
Ataraxis	1,500-1,599	Administrative and Support Services
Hewlett-Packard Company	1,400-1,499	Manufacturing
Idaho Power Company	1,400-1,499	Utilities
Wells Fargo Bank NA	1,400-1,499	Financial Activities
McDonalds	1,300-1,399	Food Services
Blue Cross of Idaho	1,300-1,399	Finance and Insurance
Jacksons	1,000-1,099	Retail Trade
Plexus	900-999	Electronics Manufacturing
Scentsy	800-899	Manufacturing/Retail Trade

MSA = Metropolitan Statistical Area, consisting of Ada, Boise, Canyon, Gem and Owyhee counties.

Source: Idaho Department of Labor as reported by the Boise Valley Economic Partnership, www.bcep.org. This list only includes companies who have given the Idaho Department of Labor permission to release their employment numbers.

VISITOR DEMAND

According to Visit Idaho (the Tourism Development branch of the Idaho Department of Commerce), visitors to Idaho spent $4.8 billion dollars on direct travel spending in 2021 (up 12.2% from 2019) with 84% of tourism spending generated by out-of-state visitors (up 8% from 2019). In 2021, Idaho welcomed 37 million visitors (up from 35 million in 2019 and 31.5 million in 2017). The top three reasons people visit Idaho is to visit friends and family, tour the region, and experience the outdoors. Tourism is the third largest industry behind agriculture and technology.* According to a survey conducted at the Airport during 2023, 77% of passengers traveling at the Airport are traveling for leisure or personal reasons, while the remaining 23% are traveling for business purposes.

BUSINESS TRAVEL DEMAND

Idaho has a diverse economy that includes industries such as agriculture, manufacturing, and technology. The state's low unemployment rate and strong job growth have attracted many people to move to Idaho in search of work.

The Boise economy is rooted in agriculture. Potentially productive land originally attracted settlers to the area and with a successful irrigation system enabling the transportation of water from the Boise River to remote areas, residents began farming and developing food distribution systems. According to the Idaho State Department of Agriculture, agriculture accounts for 18% of the state's economic output. In 2021, it was reported that Idaho's agriculture and food and beverage processing, combined, contributed $20 billion to the state's economy.

Many local businesses were formed or expanded in the post-World War II era including Ore-Ida, Albertsons, and Boise Cascade. Today, top employers in the manufacturing sector include Boise Cascade, manufacturer of wood products and wholesale distributor of building materials since 1957, and Micron Technology, one of the world's largest semiconductor companies and the only U.S.-based manufacturer of data memory. Micron started construction of a new memory chip manufacturing facility in Boise in October 2023. The $15 billion project is the largest private investment in Idaho history and is expected to be complete in 2025. Micron estimates building and running the facility will bring more than 17,000 jobs to Idaho, at least 2,000 of which will be directly with Micron.**

Technology firms have also invested in the Boise MSA. In October 2023, Meta (parent of Facebook) began construction of the Kuna Data Center in Ada County. According to Meta, once the data center is completed, it will represent an investment of more than $800 million and support approximately 100 operational jobs.

J.R. Simplot ("Simplot") is a food and agriculture company that was founded in Boise in 1929. The company's portfolio includes farming, ranging, food processing, and mining, and it has been the supplier and manufacturer of Ore-Ida products since 2022. Lamb Weston Holdings, a food processing company producing frozen potato products, is headquartered in Ada County.

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* Idaho News 6, Visit Idaho releases new travel guide for 2023 as tourism numbers continue to grow, January 11, 2023.

** KTVB7, Construction of Micron's memory chip manufacturing facility officially begins, October 5, 2023.

The manufacturing industry gained 8,200 jobs between 2010 and 2023, however its share of the MSA's employment decreased, comprising 7.9% of the MSA's employment in 2023, down from 9.0% in 2010. Job gains in several sectors, including business services (31,000 jobs), construction (21,300 jobs), and trade (18,300 jobs), outpaced the manufacturing sector.

Albertsons, founded in 1939, is one of the nation's largest supermarket chains. In 2022, Albertsons and Cincinnati-based Kroger, Co., announced a merger valued at $24.6 billion. The merger is awaiting regulatory approval, but the companies are anticipating that the transaction will close in early 2024. If successful, the merged company will be the largest supermarket chain in the nation.

The Boise Centre, located downtown in the City of Boise and four miles from the Airport, is Idaho's primary convention center for conferences and meetings. The Boise Center includes 86,000 square feet of flexible meeting and exhibit space, 31 flexible meeting rooms, and a 24,426 square foot Grand Ballroom.

REMOTE WORK AND BUSINESS TRAVEL

The emergence of remote work during the pandemic has led to the formation of hybrid work models that combine remote work days and days in the office. According to Gallup, a global research and consulting firm, hybrid work (defined as 10% to 100% remote showed little change over the past year, accounting for 54% of the U.S. labor force in February 2024, compared to 52% in February 2023, and is expected to increase to 60% by mid-2025..** Approximately 90% of people who work for an Idaho employer do so in person, rather than remotely or hybrid.***

The flexibility of hybrid or remote work has also contributed to changes in business travel, i.e., the emerging trend of combining business and leisure travel, referred to as blended or "bleisure" travel. In its January 2024 Business Travel Index Outlook, the Global Business Travel Association (GBTA) noted that "The global business travel industry has put the pandemic behind it and is riding a wave of momentum at the start of 2024. A majority of travel buyers report increases in bookings and spending for 2023 and expect this year-over-year growth trend to continue as they also prioritize sustainable travel in their organizations. Nearly 60% of travel buyers expect more travel in the coming year, with two-thirds anticipating increases in business travel spending. Industry professionals also expect challenges ahead, however, citing rising travel costs, overall economic uncertainties, lagging corporate budgets and travel disruptions among their top concerns."****

LEISURE TRAVEL DEMAND

Tourism represents an important source of economic activity in the Boise MSA and State of Idaho. According to Idaho Commerce, "Idaho's $3.7 billion tourism industry employs more than 45,800 Idahoans and generates $475 million in local, state and federal tax revenues."***** Idaho, which has the third largest amount of federally protected designated wilderness land in the lower 48 states,* offers a variety of outdoor activities including whitewater rafting, kayaking, mountain biking, golf, hiking and backpacking, hot springs, fishing, and winter activities such as skiing and snowmobiling. Idaho's

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** Gallup, Indicators: Hybrid Work, accessed May 2024, www.gallup.com..

*** Idaho Department of Labor, Idaho Employer Business Climate Survey, August 2023.

**** Global Business Travel Association Business Travel Industry Anticipates a Strong but Challenging 2024 According to Latest GBTA Poll, January 31, 2024.

***** Idaho Commerce, Tourism Development, www.commerce.idaho.gov, accessed December 2023.

* The Wilderness Society, wilderness.org, accessed December 2023.

destination resorts include Sun Valley, Coeur d'Alene, Schweitzer Mountain, Silver Mountain, and the tribally-owned Coeur d'Alene Casino Resort, all offering year-round activities. In addition, the Oregon Trail crosses through southern Idaho and the route of the Lewis and Clark Expedition passes through northern Idaho.

Boise, located in Southwestern Idaho and situated between the Rocky Mountains and the Great Basin Desert, is the state capital and largest city in Idaho. Southwestern Idaho provides easy access to Hells Canyon, the deepest river-carved gorge in North America (deeper even than the Grand Canyon), as well as Bruneau Dunes State Park, which has a 470-foot sand dune, the highest single-structured dune in North America.** Boise is also home to one of the largest Basque communities in the United States, referred to as "The Basque Block", and provides visitors with a view of Basque culture and cuisine originating from northeastern Spain. Boise has over 26 breweries and is within 32 miles of more than 30 wineries.*** Nearby Snake River Wine Valley was labeled as "The award-winning wine valley you've never heard of" by Travel and Leisure Magazine.****

Table 5 presents historical lodging sales, an indicator of tourism activity, in the Boise MSA and the State from 2000 through the first 4 months of 2023 (January through April, the most recent data available). Lodging sales in the Boise MSA expanded between 2010 and 2023, notwithstanding a decrease in 2020 due to the COVID-19 pandemic. From 2010-2019 and 2019-2022, lodging sales increased an average of 10.3% and 13.5% per year, respectively, compared with slower growth between 2000 and 2010 (an average of 1.4% per year). Historically, lodging sales in Boise has accounted for approximately 32% of total lodging sales in the State. In the first 4 months of 2023, lodging sales in the Boise MSA increased 7.2%, while the State increased 3.8%.

** Visit Idaho, visitidaho.org, accessed December 2023.
*** Boise Metro Chamber of Commerce, Visit Boise, visitboise.com, accessed May 2024.
**** Visit Southwest Idaho, visitsouthwestidaho.org, accessed May 2024.

Table 5

HISTORICAL LODGING SALES IN THE BOISE MSA AND STATE OF IDAHO

	Boise MSA			State of Idaho	
Calendar year	Lodging sales (millions)	Percent change	Percent of State	Lodging sales (millions)	Percent change
2000	$91.7	9.4%	32.6%	$281.0	6.9%
2010	105.5	(0.0)	29.3	359.5	0.4
2011	113.5	7.6	30.3	374.3	4.1
2012	124.6	9.7	30.9	403.0	7.7
2013	140.2	12.6	32.1	436.7	8.4
2014	156.3	11.5	32.5	480.2	10.0
2015	174.0	11.3	33.3	522.5	8.8
2016	198.8	14.3	33.8	588.2	12.6
2017	214.5	7.9	33.9	633.4	7.7
2018	235.6	9.8	32.7	721.3	13.9
2019	255.4	8.4	32.6	783.3	8.6
2020	185.8	(27.3)	27.2	682.0	(12.9)
2021	292.3	57.3	28.5	1,025.6	50.4
2022	373.3	27.7	31.7	1,178.7	14.9
First 4 months (January-April)					
2022	92.6		31.9%	290.3	
2023	99.2	7.2%	32.9	301.4	3.8%
	Compound annual percent increase				
2000-2010	1.4%			2.5%	
2010-2019	10.3			9.0	
2019-2022	13.5			14.6	
2000-2022	6.6			6.7	

Source: Idaho State Tax Commission, as reported by the State of Idaho Department of Commerce, *Idaho Lodging Tax Data (Calendar Year)—Total Sales*, www.commerce.idaho.gov, accessed December 2023.

ECONOMIC OUTLOOK

Real GDP decreased 2.8% in 2020 during the COVID-19 pandemic, then rebounded 5.8% in 2021 and 1.9% in 2022. In its February 2024 Economic Projections, the Congressional Budget Office forecasts real GDP growth of 2.4% in 2023, 1.8% in 2024, and an average of 2.1% per year through 2030.

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 being reduced to a rate within the range targeted by the Federal Reserve, growth in the economies of foreign trading partners, and stable trading relationships.

The economic outlook for the Boise MSA generally depends on the same factors as those for the nation. In their October 2023 Idaho Economic Forecast (the most recent available that included Gross State Product projections for Idaho), the State of Idaho, Division of Financial Management projects annual growth in Gross State Product averaging 2.6% in the years 2022 through 2028, slightly higher than the nationwide rates of economic growth forecast by the Congressional Budget Office.

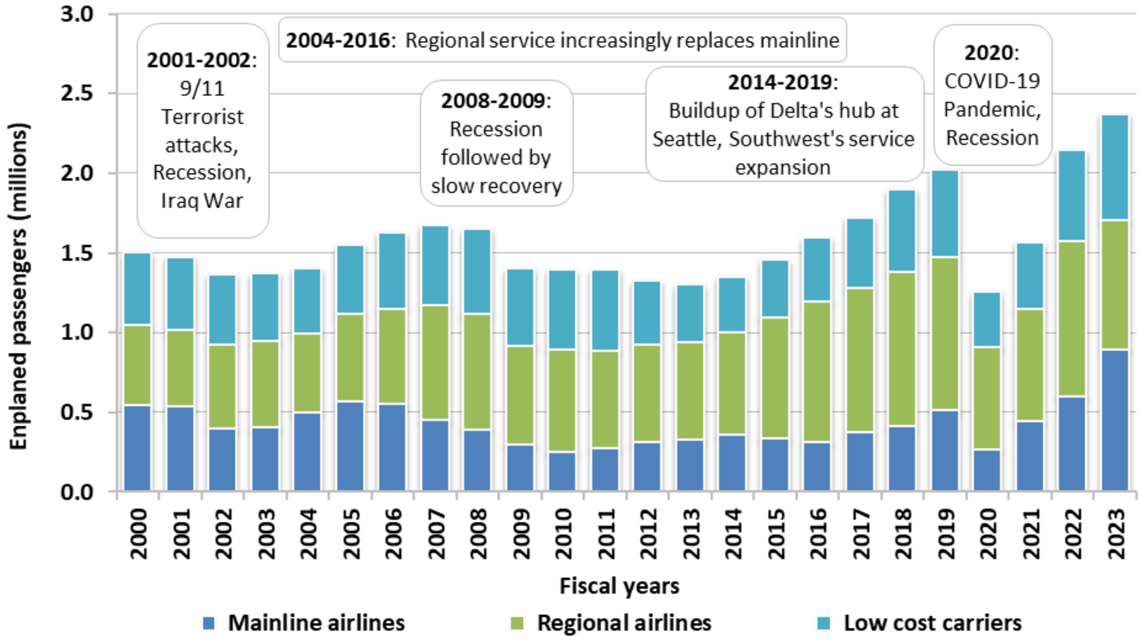
AVIATION DEMAND

This section considers how air service and fares affect passenger traffic at the Airport. It examines past trends and presents forecasts through FY 2030 of visiting passengers—the segment of passenger traffic that may rent cars at the Airport.

Figure 6 presents trends in enplaned passengers at the Airport between FY 2000 and FY 2023. Between FY 2000 and FY 2010, the number of enplaned passengers decreased an average of 0.8% per year, reflecting the effects of economic recessions in 2001 and 2008-2009, the 2008 oil price spike, the financial credit crisis, and overall airline industry reductions in scheduled departing seat capacity. Passenger traffic continued to decrease in FY 2011 through FY 2013 due to a slow economic recovery. Between FY 2014 and FY 2019, passenger traffic increased an average of 7.8% per year, reflecting the expansion of service by Delta at the Airport to support the buildup of its hub at Seattle as well as Alaska Airlines' competitive response and expansion of service at the Airport by Southwest. Following a 38.1% decrease in enplaned passengers in FY 2020 due to the COVID-19 pandemic and economic recession, the number of enplaned passengers increased in each of the next three Fiscal Years, reaching a record 2.37 million enplaned passengers in FY 2023 (17% higher than FY 2019 passenger levels).

Between FY 2000 and FY 2016, regional airlines accounted for an increasing share of total enplaned passengers at the Airport as the mainline airlines began using regional affiliates to perform short-haul operations with smaller aircraft. . The share of passengers enplaned on regional airlines at the Airport increased from 33.8% in FY 2000 to 55.3% in FY 2016 whereas the share of passengers enplaned on mainline airlines decreased from 35.9% in FY 2000 to 19.6% in FY 2016. Starting in FY 2017, the trend reversed and as of FY 2023, regional airlines and mainline airlines accounted for 34.3% and 37.7%, respectively, of total enplaned passengers at the Airport. Low cost carriers represented 30.3% of enplaned passengers at the Airport in FY 2000 and 28.0% of enplaned passengers in FY 2023. In the first 6 months of Fiscal Year 2024 (October 2023 through March 2024), enplaned passengers at the Airport increased 0.4% compared to the same period of the previous year.

Figure 6
HISTORICAL TRENDS IN ENPLANED PASSENGERS
Boise Airport



Note: Fiscal Years ended September 30.

Source: Boise Airport records.

AIR SERVICE TRENDS

Airline Service

As of June 2024, four U.S. mainline passenger airlines, three regional airlines, and five low cost carriers provide service at the Airport, as shown in Table 6. In addition, four airlines provided all-cargo service as of March 2024.

Table 6
AIRLINES SERVING THE AIRPORT
As of December 2023

Mainline airlines	Low cost carriers
Alaska Airlines	Allegiant Air
American Airlines	Avelo Airlines
Delta Air Lines	Southwest Airlines
United Airlines	Spirit Airlines
	Sun Country
Regional airlines	**All-Cargo airlines**
Envoy (American Connection)	Ameriflight
Horizon Air (Alaska Airlines)	Atlas Air
Skywest (Alaska Airlines, American Connection, Delta Connection, United Express)	FedEx
	United Parcel Service

Note: Excludes charter airlines; no charter airlines provide regular service to Boise. All-cargo airline list is as of March 2024.

Sources: Boise Airport records and Airline Schedules, Airline Data Inc., accessed May 2024.

Airline Service Trends

Figure 7 shows the airports with nonstop service from BOI as scheduled for June 2024. Scheduled nonstop service is provided to 23 domestic airports (representing 16 city markets), of which, 11 are served by two or more airlines. No international service is offered from the Airport (or has been historically). Scheduled nonstop service to Palm Springs, Pullman, and Chicago-Midway is seasonal and not included on Figure 7.

Table 7 details trends in passenger airline service at the Airport. In June 2024, scheduled nonstop service is provided to 16 city markets, the same as in June 2019. Between 2015 and 2024 the number of average daily departing flights are scheduled to increase 34%, while average daily seats are scheduled to increase 58%, reflecting a trend in increasing aircraft size due to the loss of turboprop service at the Airport and the use of larger regional and mainline jet aircraft.

LEGEND

○ Destinations with scheduled service by only one airline

● Destinations with scheduled service by more than one airline

Source: Airline Schedules, Airline Data Inc., accessed May 2024.

Figure 7

DESTINATIONS WITH NONSTOP PASSENGER AIRLINE SERVICE

Boise Airport

Scheduled Service in June 2024

Table 7
DOMESTIC PASSENGER SERVICE
Boise Airport
(As scheduled for June of years noted)

	2010	2015	2019	2024
Number of destinations served nonstop *(a)*	**16**	**15**	**16**	**16**
Change from previous year shown		(1)	1	--
By aircraft type:				
Total jet	12	12	15	16
Mainline jet	*11*	*9*	*12*	*14*
Regional jet	*7*	*8*	*10*	*11*
Turboprop	8	6	5	--
Average daily departing flights	**62**	**60**	**71**	**80**
Change from previous year shown		(2)	12	(9)
By aircraft type:				
Total jet	48	39	56	80
Mainline jet	*26*	*20*	*27*	*37*
Regional jet	*23*	*19*	*29*	*42*
Turboprop	13	21	15	--
Average daily departing seats	**6,096**	**5,746**	**7,313**	**9,078**
Change from previous year shown		(351)	1,568	1,764
By aircraft type:				
Total jet	5,101	4,160	6,158	9,078
Mainline jet	*3,652*	*2,880*	*4,068*	*5,891*
Regional jet	*1,449*	*1,280*	*2,090*	*3,186*
Turboprop	996	1,586	1,155	--
Average seats per flight	**99**	**97**	**103**	**114**
Change from previous year shown		(3)	6	11
By aircraft type:				
Total jet	105	108	110	114
Mainline jet	*141*	*144*	*153*	*158*
Regional jet	*64*	*68*	*71*	*75*
Turboprop	76	76	76	--

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

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

Source: Airline Schedules, Airline Data, Inc., accessed May 2024.

Table 8 shows how airline service has changed since 2015 in the top 20 domestic originating city-pair markets for the Airport. The top 20 markets account for more than 99.5% of scheduled departing seats at the Airport in June 2024 (only one other market, Sonoma, CA, was served from the Airport during this time period). In June 2024, nonstop service is provided in all but four of the Airport's top 20 originating passenger markets (Washington D.C., New York, Orlando, and Austin) and competing nonstop service is offered in 10 of top 20 markets. Service is provided to many hubs and focus cities of the major network airlines (American, Delta, Southwest, and United) providing opportunities for connections to destinations throughout those airlines' networks.

Table 8

AIRLINE SERVICE TO TOP DOMESTIC ORIGINATING PASSENGER DESTINATIONS

Boise Airport

(As scheduled for June of years noted)

Rank *(a)*	Destination *Airport*	Airlines providing nonstop service 2024	Average daily Aircraft departures 2015	2019	2024	Departing seats 2015	2019	2024
1	Los Angeles	AS,DL,G4,XP,UA,WN	2	4	9	196	285	791
	Los Angeles Int'l	*AS, DL, UA*	*2*	*4*	*6*	*196*	*285*	*422*
	Santa Ana	*G4*	--	--	*1*	--	--	*91*
	Burbank	*AS, WN, XP*	--	--	*2*	--	--	*249*
	Long Beach	*WN*	--	--	*0*	--	--	*28*
2	Seattle	AS, DL	14	14	18	1,030	1,255	1,418
3	San Francisco	AS,UA,WN	7	9	7	615	906	800
	San Jose	*AS, WN*	*1*	*3*	*2*	*76*	*300*	*219*
	San Francisco Int'l	*AS, UA*	*4*	*5*	*3*	*253*	*320*	*293*
	Oakland	*WN*	*2*	*2*	*2*	*286*	*286*	*288*
4	Phoenix	AA, AS, G4, WN	4	3	5	519	417	593
	Sky Harbor	*AA, AS, WN*	*4*	*3*	*5*	*519*	*417*	*544*
	Mesa Gateway	*G4*	--	--	*0*	--	--	*50*
5	Las Vegas	G4, NK, WN	2	2	5	326	346	840
6	Denver	UA, WN	6	7	8	635	845	1,175
7	San Diego	AS, WN	1	2	2	70	221	196
8	Portland	AS	7	8	5	527	583	398
9	Sacramento	AS, WN	1	2	3	76	219	409
10	Spokane	AS	2	4	4	267	440	279
11	Dallas	AA, WN	--	2	3	--	334	498
	Dallas Fort Worth	*AA*	--	*2*	*3*	--	*320*	*479*
	Love Field	*WN*	--	*0*	*0*	--	*14*	*19*
12	Chicago	UA	3	3	2	263	222	205
	O'Hare	*UA*	*2*	*3*	*2*	*148*	*222*	*205*
	Midway	--	*1*	--	--	*114*	--	--
13	Salt Lake City	DL	6	6	5	670	678	655
14	Washington D.C.	--	--	--	--	--	--	--
15	Minneapolis-St. Paul	DL, SY	3	3	3	409	414	492
16	Atlanta	DL	--	--	2	--	--	284
17	New York	--	--	--	--	--	--	--
18	Houston	--	1	1	--	70	76	--
19	Orlando	--	--	--	--	--	--	--
20	Austin	--	--	--	--	--	--	--
	Total top 20 markets		59	70	80	5,672	7,240	9,033
	Other markets		1	1	0	73	73	45
	Total all markets		60	71	80	5,746	7,313	9,078

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

(a) Top 20 destinations ranked by numbers of domestic originating passengers in FY 2023.

Legend: AA=American, AS=Alaska, DL=Delta, G4=Allegiant, NK=Spirit, SY=Sun Country, UA=United, WN=Southwest, XP=Avelo.

Source: Airline Schedules, Airline Data, Inc., accessed May 2024.

AIRLINE PASSENGER TRENDS

Table 9 shows historical enplaned passenger numbers at the Airport by originating and connecting components. Enplaned passengers at the Airport have increased an average of 2.0% per year since FY 2000, reaching record levels in FY 2023. The Airport does not serve as a connecting hub for any airline. In FY 2023, 97.5% of the passengers originated or terminated their flights at the Airport, while only 2.5% connected from one flight to another.

Passenger Traffic by Airline

Figure 8 and Table 10 show the airline market shares of enplaned passengers at the Airport in FY 2015, FY 2019, and FY 2023. In FY 2023, Alaska (including Horizon) enplaned the largest share of passengers at the Airport (27.5%), followed by Southwest Airlines with 23.4% and Delta (mainline and regional affiliates) with 22.1%. Low cost carriers accounted for 28.0% of enplaned passengers at the Airport in FY 2023, compared with 24.8% in FY 2015. The Airport has a relatively low degree of airline concentration, with no single airline accounting for more than 30% of total enplaned passengers.

Table 9

HISTORICAL ENPLANED PASSENGERS BY COMPONENT

Boise Airport

(Fiscal Years ended September 30)

	By passenger type			Annual percent increase (decrease)			Originating
Fiscal Year	Originating	Connecting	Total	Originating	Connecting	Total	% of total
2000	1,177,380	327,508	1,504,888				78.2%
2010	1,307,966	87,430	1,395,396	3.6%	(38.4%)	(0.6%)	93.7
2011	1,319,648	73,963	1,393,611	0.9	(15.4)	(0.1)	94.7
2012	1,268,961	59,806	1,328,767	(3.8)	(19.1)	(4.7)	95.5
2013	1,258,731	47,811	1,306,542	(0.8)	(20.1)	(1.7)	96.3
2014	1,301,752	46,235	1,347,987	3.4	(3.3)	3.2	96.6
2015	1,405,941	50,692	1,456,633	8.0	9.6	8.1	96.5
2016	1,511,906	81,839	1,593,745	7.5	61.4	9.4	94.9
2017	1,637,669	84,136	1,721,805	8.3	2.8	8.0	95.1
2018	1,820,998	77,768	1,898,766	11.2	(7.6)	10.3	95.9
2019	1,967,492	58,468	2,025,960	8.0	(24.8)	6.7	97.1
2020	1,226,192	27,410	1,253,602	(37.7)	(53.1)	(38.1)	97.8
2021	1,534,614	33,860	1,568,474	25.2	23.5	25.1	97.8
2022	2,074,451	71,493	2,145,944	35.2	111.1	36.8	96.7
2023	2,311,766	58,608	2,370,374	11.4	(18.0)	10.5	97.5

	Average annual percent increase (decrease)		
2000-2010	1.1%	(12.4%)	(0.8%)
2010-2019	4.6	(4.4)	4.2
2019-2023	4.1	0.1	4.0
2000-2023	3.0	(7.2)	2.0

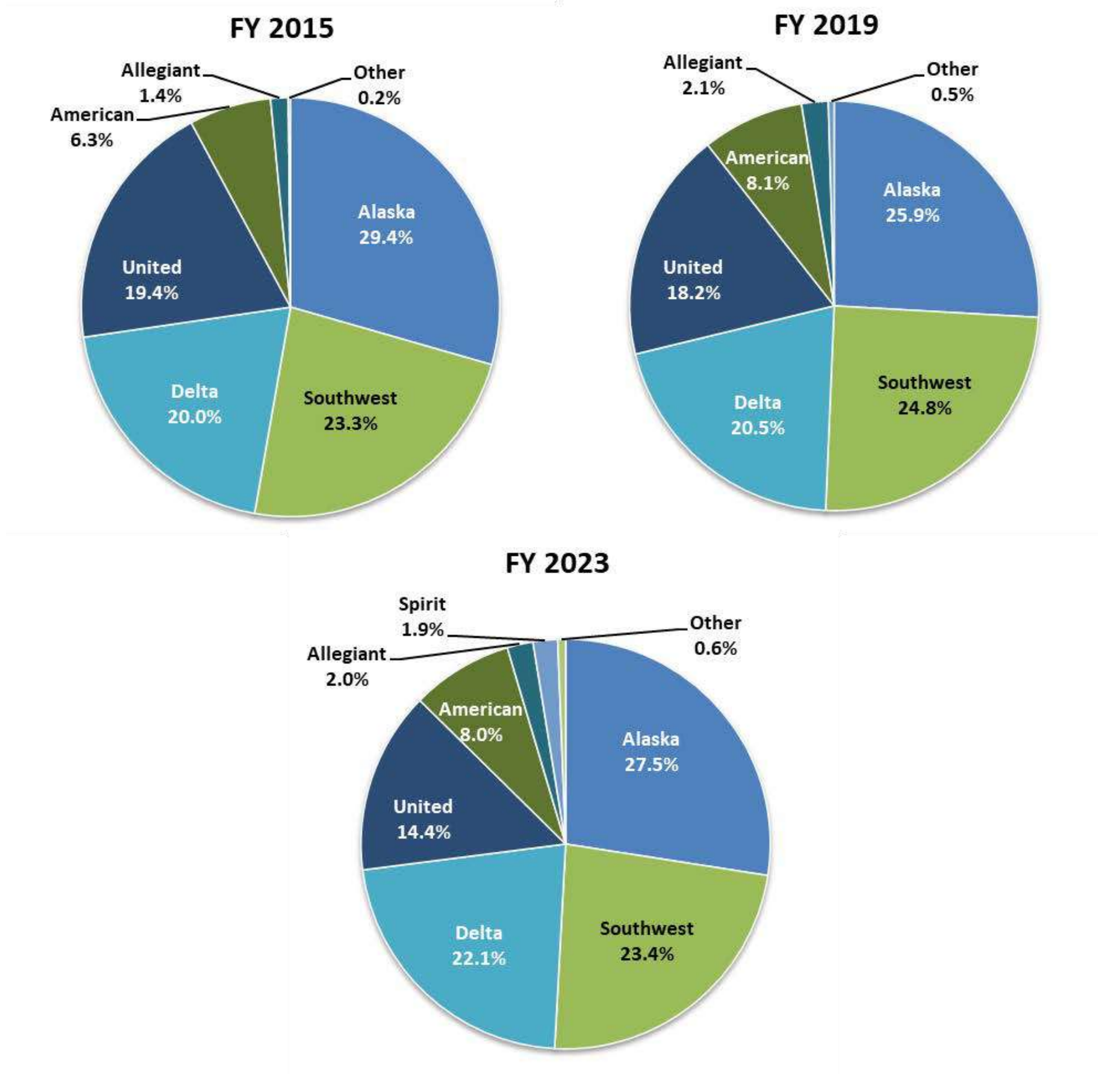
Note: Rows may not add to totals shown because of rounding.

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

Figure 8

AIRLINE MARKET SHARES OF ENPLANED PASSENGERS

Boise Airport



Note: See Table 10 for detailed footnotes.

Source: Boise Airport records.

Table 10

AIRLINE MARKET SHARES OF ENPLANED PASSENGERS

Boise Airport

	FY 2015	FY 2019	FY 2023
Mainline *(a)*			
Alaska	428,806	524,679	650,786
Delta	290,604	416,251	524,281
United	283,066	368,237	341,107
American *(b)*	92,296	163,126	190,235
Other	1,006	1,498	108
Subtotal	1,095,778	1,473,791	1,706,517
Low cost carriers			
Southwest	339,545	501,798	554,846
Allegiant	19,801	42,624	48,482
Spirit	--	--	45,803
Avelo	--	--	14,726
Frontier	1,096	7,747	--
Other LCC	413	--	--
Subtotal	360,855	552,169	663,857
Total	1,456,633	2,025,960	2,370,374
	Percent of total		
Mainline *(a)*			
Alaska	29.4%	25.9%	27.5%
Delta	20.0	20.5	22.1
United	19.4	18.2	14.4
American *(b)*	6.3	8.1	8.0
Other	0.1	0.1	0.0
Subtotal	75.2%	72.7%	72.0%
Low cost carriers			
Southwest	23.3%	24.8%	23.4%
Allegiant	1.4	2.1	2.0
Spirit	--	--	1.9
Avelo	--	--	0.6
Frontier	0.1	0.4	--
Other LCC	0.0	--	--
Subtotal	24.8%	27.3%	28.0%
Total	100.0%	100.0%	100.0%

Note: For Fiscal Years ended September 30.

(a) Includes regional affiliates, if applicable.

(b) Includes US Airways; American completed its merger with US Airways in April 2015.

Source: Boise Airport records.

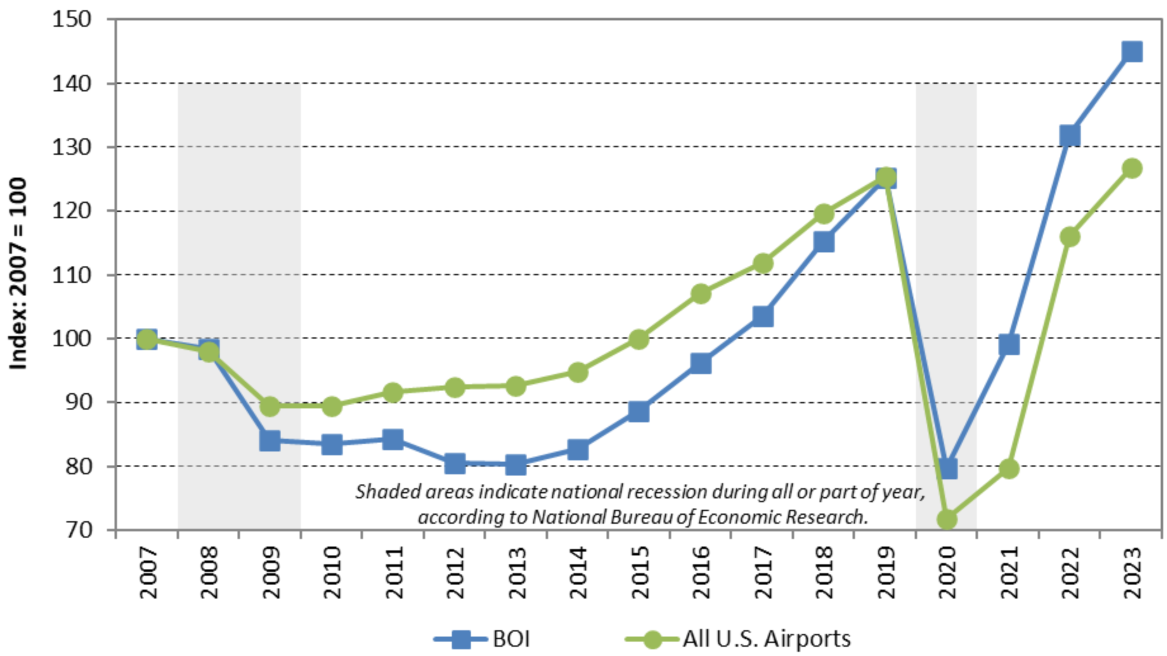
Originating Passengers and Airfares

Although originating passenger growth at BOI was slower than that of the nation from FY 2007 through FY 2019, it has exceeded national growth through FY 2023, as shown on Figure 9.

Figure 10 shows domestic originating passengers and average domestic airfares at the Airport from FY 2007 through the FY 2023. The average airfare paid has increased over the past few years, as compared to pre-pandemic fares.

The average airfares shown in Figure 10, as reported by the airlines to the U.S. DOT, are exclusive of many ancillary charges (fees for checked baggage and preferred aircraft seating, for example) and, given the rapid rise in such fees beginning in 2008, increasingly understate the consumer's real cost of airline travel. The amount of optional charges varies by market and is affected by airline mix and traveler trip purpose (i.e., business vs. leisure).

Figure 9
INDEX OF OUTBOUND DOMESTIC ORIGINATING PASSENGERS
Boise Airport and All U.S. Airports
(for the 12 months ended September 30)



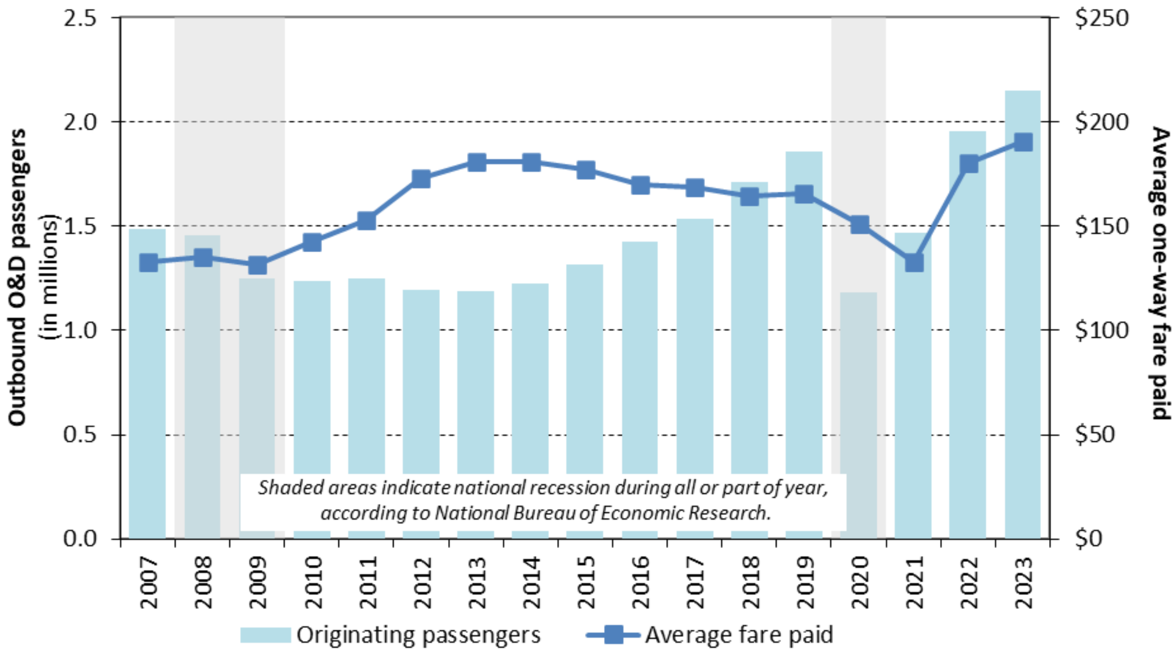
Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Figure 10

DOMESTIC ORIGINATING PASSENGERS AND AVERAGE FARE PAID

Boise Airport

(Fiscal Years ended September 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 destinations from the Airport. In FY 2023, the top 20 destinations accounted for 74.2% of all domestic originating passengers. Between FY 2015 and FY 2023, for the top 20 domestic destinations taken together, average airfares increased 7.5% while passenger numbers increased 63.5%. This table generally illustrates the stimulative effect of lower airfares on passenger traffic and, conversely, the dampening effect of higher airfares. For example, markets with decreases in passenger volumes or smaller increases between FY 2015 and FY 2023, such as Portland and Spokane, experienced some of the largest increases in average airfares among the top 20 markets. By contrast, the Los Angeles and San Francisco markets recorded two of the largest increases in passenger volumes with the largest decreases in airfares.

Table 11

PASSENGERS AND AIRFARES TO TOP 20 DOMESTIC DESTINATIONS

Boise Airport

		Domestic originating enplaned passengers						Average one-way fare *(a)*				
					As percent of total	Percent increase (decrease)					Percent increase (decrease)	
Rank	Destination	2015	2019	2023	2023	2015-'19	2019-'23	2015	2019	2023	2015-'19	2019-'23
1	Los Angeles *(b)*	102,832	168,553	236,591	11.0%	63.9%	40.4%	$149.10	$134.96	$137.56	(9.5%)	1.9%
2	Seattle	137,504	201,365	193,738	9.0	46.4	(3.8)	106.08	92.98	129.90	(12.3)	39.7
3	San Francisco *(c)*	93,157	130,903	157,705	7.3	40.5	20.5	154.71	146.11	133.42	(5.6)	(8.7)
4	Phoenix *(d)*	62,145	91,286	143,333	6.7	46.9	57.0	149.00	132.52	128.78	(11.1)	(2.8)
5	Las Vegas	62,314	75,235	119,014	5.5	20.7	58.2	109.18	110.61	104.25	1.3	(5.8)
6	Denver	58,891	87,746	97,181	4.5	49.0	10.8	168.79	147.67	168.80	(12.5)	14.3
7	San Diego	44,561	77,982	88,089	4.1	75.0	13.0	122.65	115.43	137.12	(5.9)	18.8
8	Portland	100,851	116,489	85,092	4.0	15.5	(27.0)	107.06	117.80	161.73	10.0	37.3
9	Sacramento	27,549	62,816	78,423	3.6	128.0	24.8	121.57	99.66	123.03	(18.0)	23.5
10	Spokane	51,881	82,920	54,366	2.5	59.8	(34.4)	113.51	82.36	147.47	(27.4)	79.1
11	Dallas *(e)*	22,531	39,552	49,538	2.3	75.5	25.2	221.17	231.93	264.47	4.9	14.0
12	Chicago *(f)*	28,534	37,188	46,538	2.2	30.3	25.1	254.72	257.52	237.78	1.1	(7.7)
13	Salt Lake City	37,114	49,349	44,253	2.1	33.0	(10.3)	158.17	156.99	198.78	(0.7)	26.6
14	Washington DC *(g)*	30,290	33,614	33,734	1.6	11.0	0.4	244.78	269.38	312.43	10.1	16.0
15	Minneapolis-St. Paul	21,795	29,788	31,243	1.5	36.7	4.9	256.90	236.26	260.67	(8.0)	10.3
16	Atlanta	15,822	19,054	30,105	1.4	20.4	58.0	256.57	262.46	310.36	2.3	18.3
17	New York *(h)*	21,215	27,575	29,110	1.4	30.0	5.6	274.10	263.47	319.41	(3.9)	21.2
18	Houston *(i)*	17,360	21,405	28,120	1.3	23.3	31.4	234.43	228.94	222.07	(2.3)	(3.0)
19	Orlando	15,714	22,744	27,723	1.3	44.7	21.9	218.84	225.05	289.18	2.8	28.5
20	Austin	10,878	15,016	22,497	1.0	38.0	49.8	207.93	192.11	197.71	(7.6)	2.9
	Average top 20 markets	962,938	1,390,580	1,596,393	74.2%	44.4%	14.8%	$152.26	$142.06	$161.95	(6.7%)	14.0%
	All other markets	352,143	465,834	553,908	25.8	32.3	18.9	246.19	235.84	273.92	(4.2)	16.1
	Average all markets	1,315,081	1,856,414	2,150,301	100.0%	41.2%	15.8%	$177.41	$165.59	$190.79	(6.7%)	15.2%

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) Los Angeles, Burbank, Long Beach, Ontario, and Santa Ana airports.

(c) San Francisco, San Jose, and Oakland airports.

(d) Sky Harbor and Mesa Gateway airports.

(e) Dallas/Fort Worth Airport and Love Field.

(f) O'Hare and Midway airports.

(g) Dulles, Reagan, and Baltimore airports.

(h) Kennedy, Newark, and LaGuardia airports.

(i) Bush and Hobby airports.

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

Visiting Passengers

During FY 2023 visiting passengers (i.e., passengers whose trip itineraries did not originate at BOI) accounted for 44.0% of originating passengers while residents (i.e., passengers whose itineraries originated at BOI) accounted for the remaining 56.0%. (See Table 12.) The share of visiting passengers has decreased in recent years, after increasing slightly during the COVID-19 pandemic. Between FY 2019 and FY 2023, visitor passengers grew at an average annual rate of 3.4%, while resident passengers grew at an average rate of 4.7% per year.

Table 12

ORIGINATING PASSENGERS BY TYPE OF PASSENGER

Boise Airport

(Fiscal Years ended September 30)

	Originating passengers *(a)*			Share of originating total	
Fiscal Year	Resident *(b)*	Visitor *(c)*	Total	Resident	Visitor
2000	620,076	557,304	1,177,380	52.7%	47.3%
2010	722,888	585,078	1,307,966	55.3	44.7
2011	713,849	605,799	1,319,648	54.1	45.9
2012	694,895	574,066	1,268,961	54.8	45.2
2013	685,910	572,821	1,258,731	54.5	45.5
2014	712,406	589,346	1,301,752	54.7	45.3
2015	766,613	639,328	1,405,941	54.5	45.5
2016	823,282	688,624	1,511,906	54.5	45.5
2017	891,383	746,286	1,637,669	54.4	45.6
2018	993,022	827,976	1,820,998	54.5	45.5
2019	1,076,213	891,279	1,967,492	54.7	45.3
2020	647,805	578,387	1,226,192	52.8	47.2
2021	802,683	731,931	1,534,614	52.3	47.7
2022	1,158,230	916,221	2,074,451	55.8	44.2
2023	1,294,589	1,017,177	2,311,766	56.0	44.0

	Average annual percent increase (decrease)		
Fiscal Year			
2000-2010	1.5%	0.5%	1.1%
2010-2019	4.5	4.8	4.6
2019-2023	4.7	3.4	4.1
2000-2023	3.3	2.7	3.0

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 Boise Airport.

(c) Visitor passengers are defined as those passengers whose flight itineraries began at airports other than Boise Airport.

Sources: Boise 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 Boise region, as discussed earlier, key factors that will affect future airline traffic at the Airport in the long term include:

- National economic conditions
- International economic and geopolitical conditions
- Financial health of the airline industry
- Airline consolidation
- Airline service and routes at the Airport
- Airline competition and airfares
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Public health concerns
- Climate change concerns
- Capacity of the national air traffic control system, and
- Capacity of Boise Airport

National Economic 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 in Figure 11, recessions in the U.S. economy in 2001, 2008-2009, and 2020, and associated high unemployment, reduced discretionary income and airline travel demand.

The 2020 economic recession brought about by the COVID-19 pandemic and the related government actions to contain the spread of the disease was short-lived but caused the largest ever decrease in real GDP (31.2% in the second quarter of 2020),with an associated sharp increase in unemployment. The second quarter decrease was followed by strong GDP growth in the third and fourth quarters, with GDP in the fourth quarter of 2020 at close to the pre-pandemic level. Economic growth continued in 2021 through 2023. GDP increased 5.8%, 1.9%, and 2.4% in 2021, 2022, and 2023, respectively.

Future increases in domestic passenger traffic at the Airport will depend on the continuation of national economic growth.

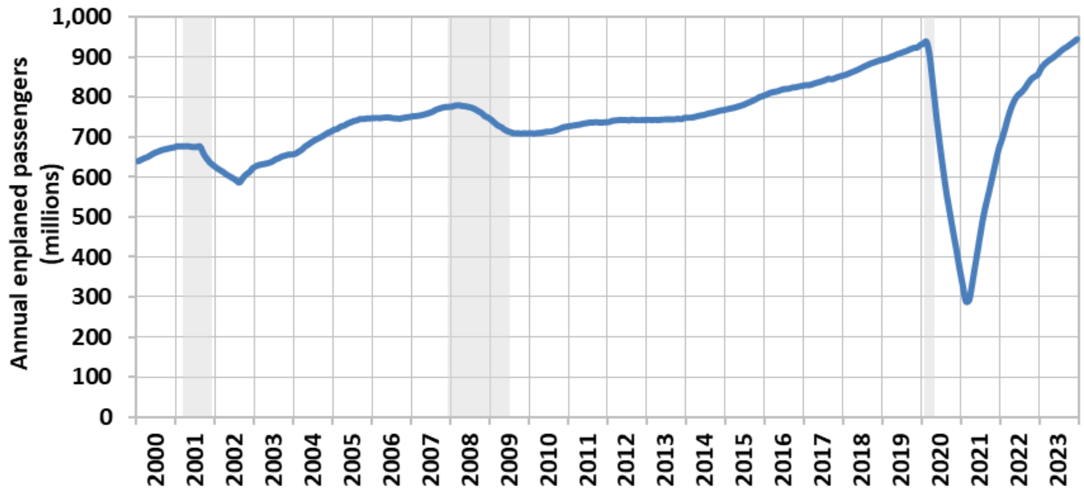
International Economic and Geopolitical Conditions

International passenger traffic at U.S. airports is influenced by the globalization of business, international trade and tourism, international economics, trade balances, currency exchange rates, government policies, and geopolitical relationships. Concerns about hostilities, terrorist attacks, other perceived security risks, and associated travel restrictions also affect travel demand to and from particular international destinations from time to time.

Future increases in international passenger traffic at the Airport will partly depend on global economic growth, a stable and secure travel environment, and government policies that do not unreasonably restrict or deter travel.

Ongoing military conflicts that are causing economic disruption and instability include the war in Ukraine that followed Russia's invasion in February 2022 and the war in Gaza that followed attacks on Israel by Hamas militants in October 2023 and Israel's invasion of Gaza in response.

Figure 11
HISTORICAL ENPLANED PASSENGERS ON U.S. AIRLINES



Note: Data shown are 12-month moving averages of monthly enplaned passengers on scheduled and non-scheduled service to domestic and international destinations.
Shaded quarters indicate economic recession during all or part of a quarter.

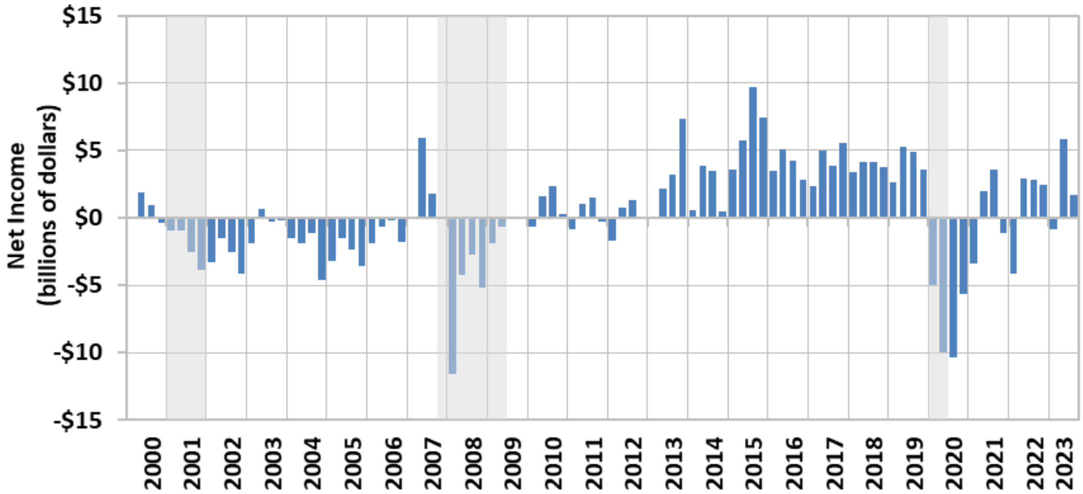
Sources: Bureau of Transportation Statistics, T100 Market and Segment, www.rita.gov, accessed May 2024; National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions, www.nber.org.

Financial Health of the Airline Industry

The number of passengers using 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 necessary investments to provide service. Figure 12 shows historical net income for U.S. airlines.

Largely as a result of the 2001 economic recession and the disruption of the airline industry that followed the September 2001 terrorist attacks, the industry experienced large financial losses between 2001 and 2006. During this period, Delta, Northwest, United, and US Airways all filed for bankruptcy protection and restructured their operations.

Figure 12
QUARTERLY NET INCOME FOR U.S. AIRLINES



Note: Shaded areas indicate quarters of economic recession.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Net Income, F41 Schedule P12, www.transtats.gov, accessed May 2024.

In 2007, the U.S. passenger airline industry was profitable, but in 2008, as oil and aviation fuel prices increased to unprecedented levels and the U.S. economy contracted, the industry experienced large net losses. The industry responded by grounding less fuel-efficient aircraft, eliminating unprofitable routes and hubs, reducing seat capacity, and increasing airfares.

From 2010 to 2013, after recovery from the 2008-2009 recession, the U.S. passenger airline industry generally recorded positive net income, notwithstanding sustained high fuel prices, by controlling capacity and nonfuel expenses, increasing airfares, achieving high load factors, and increasing ancillary revenues. American filed for bankruptcy protection in 2011.

From 2014 to 2019, the U.S. passenger airline industry reported a succession of profitable years as fuel prices were low, demand was strong, and control of capacity allowed fares and ancillary charges to remain high, even as agreements between the major airlines and their unionized employees resulted in increased labor costs.

Beginning in 2020, reductions in air travel demand caused by the COVID-19 pandemic resulted in unprecedented airline industry losses. These losses were partially mitigated by federal aid provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted in March 2020, and the American Rescue Plan Act of 2021 (ARPA) enacted in March 2021

In response to the pandemic-induced losses, airlines took various actions to reduce costs and maintain liquidity, including reducing staffing, accelerating the retirement of older aircraft, and deferring the acquisition of new aircraft. As shown in Figure 12, the U.S. airline industry returned to profitability in the second quarter of 2022.

Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, stable fuel prices, and the ability of airlines to hire and retain enough qualified employees, particularly pilots and mechanics, and acquire enough fuel-efficient aircraft and other equipment to support increased flight operations.

Boise Airport is less susceptible to the potential impacts of an airline bankruptcy due to its relatively low degree of airline concentration compared with many other large U.S. hub airports and its large population and O&D passenger traffic base which would likely be served by other airlines at the Airport if an existing airline were to cease operations.

Airline Consolidation

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).

In October 2022, JetBlue announced plans to acquire Spirit, which would have created the nation's fifth largest airline by enplaned passengers with a market share of approximately 9%. In January 2024, the acquisition was blocked in federal court following the filing by the Justice Department of a civil antitrust lawsuit. JetBlue and Spirit subsequently terminated their merger agreement.

In December 2023, Alaska Airlines announced plans to acquire Hawaiian Airlines. The two airlines together account for approximately 5.7% of passengers enplaned on U.S. airlines. The merger has been approved by Hawaiian's stockholders but is still subject to regulatory approvals. Alaska Airlines, the Airport's largest airline, accounted for 27.5% of enplaned passengers in FY 2023. Hawaiian Airlines does not currently provide service at the Airport.

Airline industry consolidation has resulted in four airlines (American, Delta, Southwest, and United) and their regional affiliates now accounting for approximately 75% of domestic seat-mile capacity. Consolidation has contributed to recent airline industry profitability, but any resumption of financial losses could cause one or more U.S. airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines could drastically affect airline service at certain connecting hub airports and change airline travel patterns nationwide. As a primarily O&D airport, it is expected that in the unlikely event any of the large network carriers liquidated, the air service provided by such airline at the Airport would be eventually replaced by another airline.

Airline Service and Routes

Most large- and medium sized airports serve as gateways to their communities and as connecting points. The number of origin and destination passengers at an airport depends on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airline fares and service provided. The number of connecting passengers, on the other hand, depends entirely on the airline service provided at an airport. In FY 2023, an estimated 97.5% of enplaned passengers at Boise Airport were originating their journeys rather connecting between flights.

The large network 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 networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry has consolidated, airline service has been or is being drastically 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).

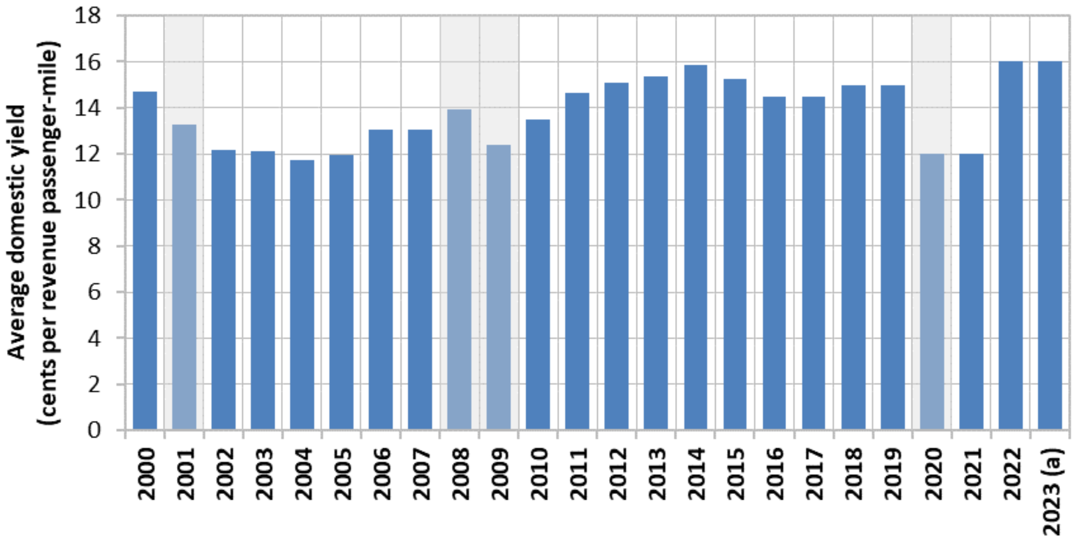
Airline Competition and Airfares

Airline fares have an important effect on passenger demand, particularly for short trips for which the automobile and other 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 partly on the level of airfares.

Figure 13 shows the historical average domestic yield (airfare per passenger-mile) for U.S. airlines. After the 2008-2009 recession, the average yield increased through 2014 as airline travel demand strengthened, the airlines collectively reduced available seat capacity, and were able to sustain airfare increases. Between 2014 and 2016, the average yield was reduced as a result of airline competition, and, through 2019 was fairly stable. The average yield decreased in 2020 and 2021 as travel demand was depressed during the pandemic, then increased in 2022 and 2023 as demand rebounded and airline seat capacity was constrained.

Beginning in 2006, ancillary 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 yield figures indicate.

Figure 13
HISTORICAL DOMESTIC YIELD FOR U.S. AIRLINES



Notes: Average yields are net of taxes, fees, and passenger facility charges and exclude fees charged by the airlines for optional services.
Shaded areas indicate economic recession during all or part of year.

(a) Data for January-September 2023, the most recent data available.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100, accessed May 2024.

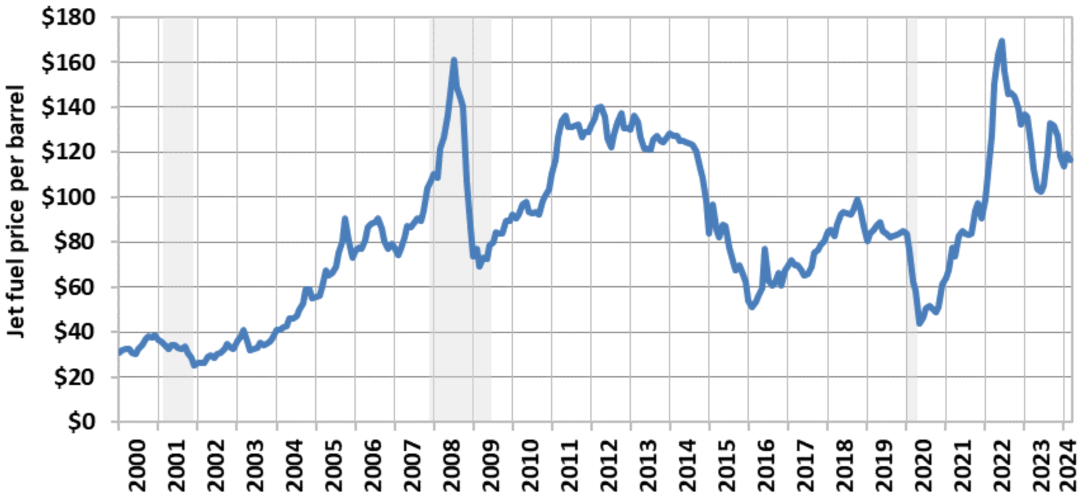
Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Figure 14 shows the historical fluctuation in fuel prices caused by the many factors influencing the global demand for and supply of oil.

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. Beginning in mid-2014, an imbalance between worldwide supply and demand resulted in a precipitous decline in the price of oil and aviation fuel through the end of 2015. Fuel prices then increased, but the average price of aviation fuel at the end of 2019 was still approximately 30% below the price at mid-2014.

As the pandemic drastically reduced the demand for aviation fuel in early 2020, the price of aviation fuel fell sharply, before rebounding in 2021 as pandemic restrictions were eased, economies recovered, and demand exceeded supply. The economic disruption and sanctions resulting from the Russian invasion and war on Ukraine have exacerbated the worldwide imbalance of demand and supply and caused increased oil and aviation fuel prices, peaking in June 2022. Higher fuel prices have a negative 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..
Shaded areas indicate months of economic recession.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, F41 Schedule P12A, www.transtats.gov, accessed May 2024.

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.

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. Measures have included strengthened aircraft cockpit doors, increased presence of armed federal air marshals, federalization of airport security functions under the Transportation Security Administration (TSA), more intensive screening of passengers and baggage, and the deployment of improved screening technologies.

Following the fatal crashes of B-737 MAX aircraft caused by the malfunction of the aircraft's automated flight control system, all B-737 MAX aircraft were grounded in March 2019. Among North American airlines, Air Canada, American, Southwest, United, and WestJet were affected. In November 2020, following the approval of modifications to the flight control system software and pilot training, the FAA rescinded its order grounding the aircraft, allowing it to be reintroduced into service.

In January 2024, B 737 MAX 9 aircraft were temporarily grounded following an incident where a panel in an aircraft fuselage blew out in flight. An investigation found that bolts meant to hold the panel in place had not been installed. Following inspections, the aircraft type was returned to service. As a result of the incident, the FAA announced increased oversight of Boeing's manufacturing processes and stated that it will not permit the company to increase aircraft production rates until the FAA is satisfied that adequate manufacturing quality controls are in place. A subsequent audit by the FAA into the manufacturing processes identified quality control violations by Boeing and its fuselage manufacturer, Spirit AeroSystems. Such restriction will constrain Boeing's ability to deliver aircraft as planned and could delay the ability of some airlines to upgrade their fleets with more fuel-efficient aircraft and increase capacity.

In March 2024, United Airlines suffered several safety-related incidents, including an aircraft runway incursion at Houston Intercontinental Airport, and an aircraft that lost a tire on takeoff from San Francisco International Airport. In response, the FAA announced that it is increasing its oversight of United "to ensure that it is complying with safety regulations; identifying hazard and mitigation risk; and effectively managing safety."

During the pandemic, anxieties about the safety of flying and the inconveniences and delays associated with COVID-19 testing, mask mandates, and vaccination requirements, led to both the avoidance of travel and the switching from air to surface modes of transportation for short trips. Quarantine requirements and other restrictions created additional impediments for international travelers. Such impediments have now largely been removed.

Historically, airline travel 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, future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Public Health Concerns

Public health concerns and associated restrictions on travel periodically reduce airline travel demand to and from various parts of the world. Examples are Severe Acute Respiratory Syndrome (SARS) in 2002-2003, the H1N1 influenza virus in 2009, Middle East Respiratory Syndrome (MERS) in 2013, Ebola Virus Disease (EVD) in 2014-2016, and the Zika virus in 2016-2017. In all these historical examples, reductions in airline travel were geographically localized and fairly short-lived, with travel soon recovering to pre-health-scare trends.

By comparison, the COVID-19 pandemic had far more serious and widespread effects on airline travel worldwide. In late 2019, the novel coronavirus that causes the COVID-19 respiratory illness emerged, soon spreading through most parts of the world. COVID-19 was declared a global pandemic by the World Health Organization in March 2020.

During the early months of the pandemic, governmental actions to slow the spread of the disease, including the mandated closure of businesses and offices, work-at-home requirements, prohibitions of public gatherings, quarantines, and travel restrictions contributed to a recession in the global economy and widespread job losses. The economic recession, combined with fears about contagion, resulted in a severe reduction in the demand for air travel, the grounding of much of the world's airline fleets, and cuts in airline service.

In December 2020, the first COVID-19 vaccines were administered in the United States. The success of the vaccines in preventing the transmission of the virus and reducing its effects resulted in a steady recovery in domestic air travel through the summer of 2021, although new variants of the virus then emerged and resulted in new waves of cases in the fall and winter of 2021.

By 2022, the availability and acceptance of vaccines and treatments had allowed the pandemic to be largely brought under control in the United States and other developed countries. As quarantine, testing, and other travel restrictions were relaxed, COVID-19 was no longer an important factor affecting airline travel. By 2023, domestic airline travel at many U.S. airports had approached or exceeded pre-pandemic levels.

Questions also remain about how some determinants of travel demand may not fully return to those existing pre-pandemic. Some observers expect that there will be permanent reductions in business travel for some in-person meetings as a result of the widespread adoption of videoconferencing. Many companies have reduced travel by their employees and thereby achieved cost savings that may become a permanent feature of their financial operations. Offsetting that effect, there may be an increase in travel by workers who relocated during the pandemic and work remotely, and who will need regularly to visit a central office location. Remote working and travel for a combination of business and leisure purposes have changed travel demand patterns.

Climate Change Concerns

There is now widespread acknowledgement of the urgent need for the nations of the world to transition from fossil fuels to cleaner energy sources that will allow the worst effects of global warming and climate change to be avoided.

Much like the way that the pandemic appears to have changed some airline travel behavior and demand patterns, concerns about the contribution of airline travel to the emission of carbon dioxide and other greenhouse gases into the atmosphere may influence future airline travel demand. For example, there may be increased societal pressures to avoid or reduce travel perceived as wasteful, particularly long-haul international travel; to favor or require the use of lower-emission travel modes, such as train over airplane for short trips; and for corporations to limit employee travel to "reduce their carbon footprint" and achieve environmental, social, and governance objectives.

Pre-pandemic, the aviation industry accounted for approximately 10% of anthropogenic greenhouse gas emissions from the U.S. transportation sector and 3% of total U.S. emissions. Alternatives to petroleum-derived jet fuel are unlikely to be economically available at large scale for the foreseeable future, so aviation's share of emissions will likely increase and attract more scrutiny. Consequently, it will be imperative for the industry to achieve efficiencies if growth in airline travel is to be sustained.

Achieving those efficiencies and mitigating emissions will require financial investments and changes to the operating economics of the aviation industry. Changes will likely include the early retirement and replacement of inefficient aircraft; the payment of carbon taxes and other regulatory charges designed to penalize or offset emissions; and the development of technologies and incentives to increase the supply and reduce the cost of sustainable aviation fuels derived from biomass and other renewable sources. In the longer term, investments will be required to develop new aircraft propulsion technologies using fuels such as hydrogen or electric power generated from renewable sources.

Increased direct governmental regulation of greenhouse gas emissions from aircraft is also possible. In 2020, the U.S. Environmental Protection Agency adopted emission standards that apply to new commercial aircraft and align with standards adopted by the International Civil Aviation Organization. More stringent emission standards may apply in the future.

Inevitably, some of the costs required to reduce greenhouse gas emissions and combat climate change will be passed on to passengers in the form of higher fares or surcharges, and thereby may inhibit airline travel demand.

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 9% between 2007 and 2023), but, as airline travel increases in the future, flight delays and restrictions may 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 forecasts presented later in this section were based on the assumption that available airfield capacity will not constrain aviation activity growth at the Airport. Furthermore, it was assumed that the forecast increases in enplaned passengers and visiting passengers can be accommodated by existing terminal capacity.

AIRLINE TRAFFIC FORECASTS

The forecast of airline traffic at the Airport through FY 2030 was developed on the basis of the economic outlook for the Boise MSA, 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 February 2023, 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 Boise MSA 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 Boise MSA will grow at approximately the same rate as the national economy.

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, notwithstanding higher aviation fuel costs and general price inflation.

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. The airlines serving the Airport collectively will be able to hire and retain enough qualified employees, particularly pilots and mechanics, and acquire enough aircraft and other equipment to support increased flight operations.

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

8. 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 2023 was 2.37 million, up 10.5% from the number enplaned in FY 2022. 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 2.47 million in FY 2024, up 4.2% from the number enplaned in FY 2023.

Between FY 2024 and FY 2030, the number of enplaned passengers at the Airport is forecast to increase an average of 2.8% per year. This is lower than the average rate forecast by the FAA for the Airport in the TAF (3.0% 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 2.92 million in FY 2030, an increase of 23.1% from FY 2023. Table 13 presents historical and forecast enplaned passengers at the Airport by type of passenger.

Visiting Passenger Forecast

A view of the originating passenger forecast by segment is presented in Figure 15 and in Table 13. Visiting passengers at the Airport are projected to increase 4.2% in FY 2024, reaching 1.06 million passengers, after which growth is forecast at an average annual rate of 2.8%. In FY 2030, the number of visiting passengers is forecast to be 1.25 million. Visitor passengers are forecast to account for 44.0% of originating passengers in FY 2030 (the same as in FY 2023).

Table 13

HISTORICAL AND FORECAST PASSENGERS BY TYPE OF PASSENGER

Boise International Airport

(Fiscal Years ended September 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						Total	Annual percent increase (decrease)	
	Resident		Visitor				enplaned		
Fiscal Year	Passengers	% of total	Passenger	% of total	Total	Connecting	passengers	Resident	Visitor
2019	1,076	54.7%	891	45.3%	1,967	58	2,026		
2020	648	52.8	578	47.2	1,226	27	1,254	(39.8%)	(35.1%)
2021	803	52.3	732	47.7	1,535	34	1,568	23.9	26.5
2022	1,158	55.8	916	44.2	2,074	71	2,146	44.3	25.2
2023A	1,295	56.0	1,017	44.0	2,312	59	2,370	11.8	11.0
2024F	1,348	56.0	1,059	44.0	2,408	61	2,469	4.2	4.2
2025	1,389	56.0	1,092	44.0	2,481	63	2,544	3.0	3.0
2026	1,430	56.0	1,124	44.0	2,554	65	2,619	2.9	2.9
2027	1,471	56.0	1,156	44.0	2,627	67	2,694	2.9	2.9
2028	1,512	56.0	1,188	44.0	2,700	68	2,769	2.8	2.8
2029	1,553	56.0	1,220	44.0	2,774	70	2,844	2.7	2.7
2030	1,594	56.0	1,253	44.0	2,847	72	2,919	2.6	2.6

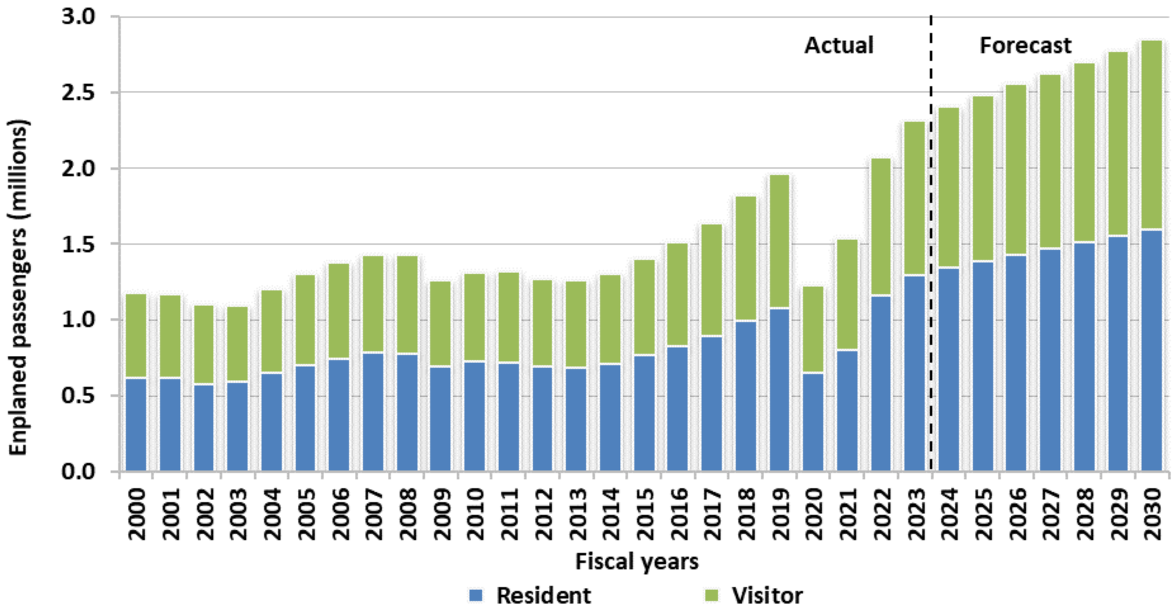
	Average annual percent increase (decrease)				
2019-2023	4.6%	3.2%	4.0%	5.0%	4.0%
2023-2024	4.2	4.2	4.2	4.2	4.2
2024-2030	2.8	2.8	2.8	2.8	2.8

Notes: A=Actual; F=Forecast. Figures shown may not add to totals shown because of rounding.

Source: Actual-Boise Airport records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1. Forecast-Jacobs, December 2023.

Figure 15
FORECAST OF ORIGINATING PASSENGERS
Boise Airport
(Fiscal Years ended September 30)

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.



Source: Actual-Boise Airport records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast-Jacobs, December 2023.

RENTAL CAR ANALYSIS

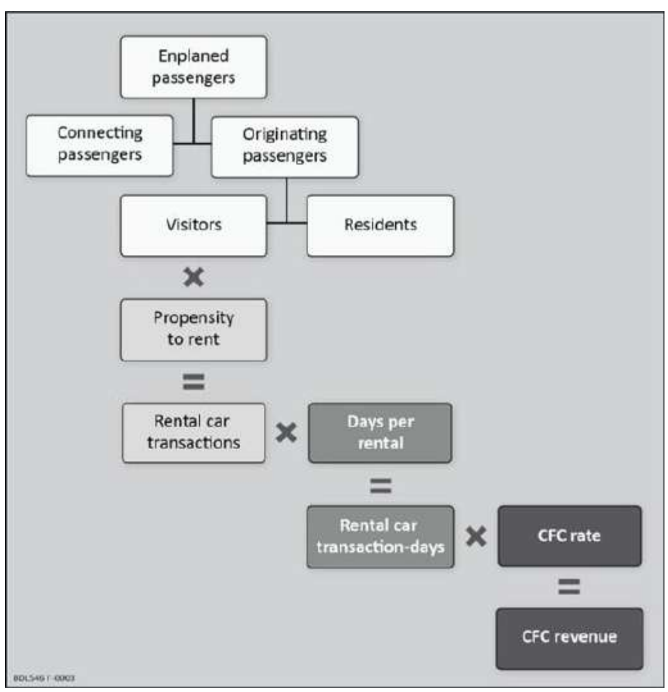
Originating passengers described in the prior section consist of both residents (those beginning flight itineraries at an airport) and visitors (those whose flight itineraries begin elsewhere). There is a correlation between:

- 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, and a forecast of rental car demand. Figure 16 shows our conceptual approach to forecasting CFC Revenue.

Figure 16

CFC REVENUE FORECAST APPROACH



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.

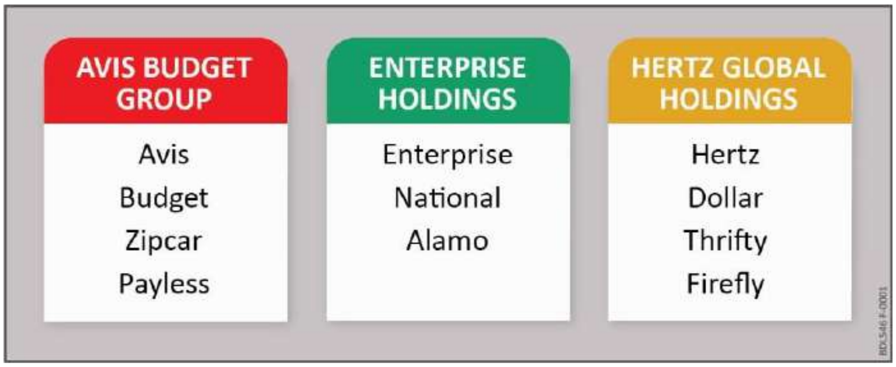
In the past, predominantly business travel providers such as Avis saw their fleet being used heavily from Monday through Thursday, but had lower utilization rates on the weekend, the traditional leisure customer rental days. This is in contrast to predominantly leisure travel providers such as Budget 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 three decades, the movement toward consolidation has significantly changed the rental car industry. Twenty five 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 17. 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, and absent the temporary impacts of the COVID-19 pandemic – improved the industry's profitability.

Additionally, Sixt Rent-a-Car LLC, a subsidiary of the German based Sixt Group, commenced operations in the United States in 2011, and had since expanded to more than 100 locations. Sixt has executed a New RAC Agreement with the City and intends to serve the Boise Airport rental car market.

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 17
NATIONWIDE RENTAL CAR BRANDS AND FAMILIES
(as of December 2023)



A new rental car business model has in recent years been developed by companies such as Turo, which employ technology (specifically, a mobile phone app) to match up individuals wishing to rent their private vehicles with individuals wishing to rent a vehicle for a period of time. The City and Turo have negotiated a commercial operating permit for peer-to-peer vehicle sharing that occurs on Airport property. Under the terms of the permit, Turo would pay the City a privilege fee equivalent to 10% of the gross revenues that Turo generates from those transactions. The permit has not yet been approved by City Council.

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 rideshare service such as Uber or Lyft, or a taxi. Public buses may be available at a lower cost, but only with some sacrifice in mobility and convenience.

CFCs 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 sized 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) such as Uber and Lyft has adversely affected four airport industry segments: taxis, shared-ride van operators, rental car companies, and parking operators. Prior to the onset of the COVID-19 pandemic, national trends showed that TNCs accounted for an increasing share of business traveler ground transportation transactions. While this trend was arrested during the period of the pandemic (TNC usage significantly declining during this period), the long term trend has more recently reasserted itself.

FACTORS AFFECTING RENTAL CAR DEMAND AT THE AIRPORT

Distance of the Airport to Key Destinations in the Airport Service Region

As previously discussed (and shown in Figure 3 presented earlier), the primary geographical area served by the Airport consists of Ada, Boise, Canyon, Gem and Owyhee counties.

Boise Airport is approximately 5 miles from downtown Boise, and 150 road miles (an approximately 2.5 hour drive) from the Sun Valley ski resort. Other local area attractions and destinations include:

- The cities of Caldwell and Nampa (known for hiking trails and wineries, as well as the Warhawk Air Museum), which are approximately 27 miles from the Airport.
- Idaho City (known for historical exploration), which is approximately 38 miles from the Airport, and
- Kuna (known for fishing and other forms of outdoor exploration), which is approximately 38 miles from the Airport.

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 the Airport and a traveler's ultimate destination(s), affordability, and convenience.

Location and Convenience of the ConRAC

Once the ConRAC garage is complete, rental car customers will be able to walk directly from the passenger terminal to a covered garage. The ConRAC is expected to 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.

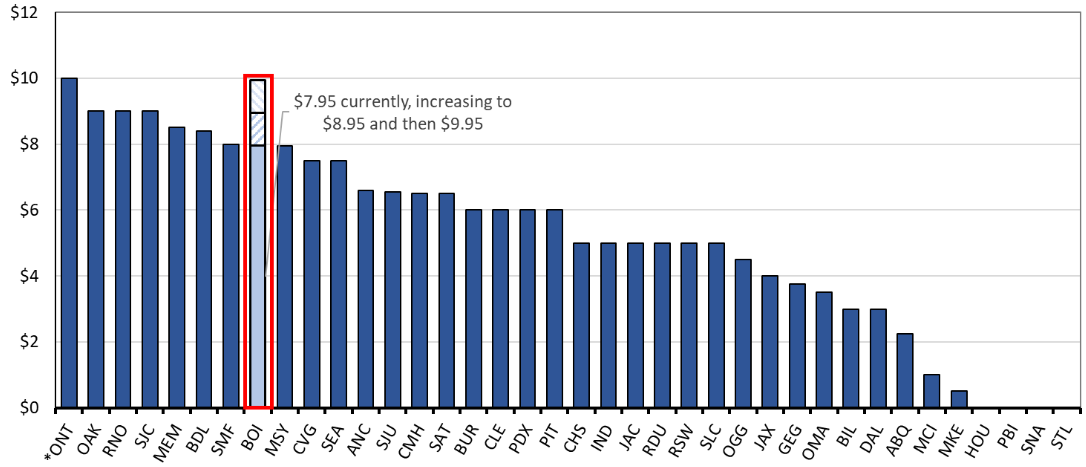
Current and Planned CFC Rates

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 18 shows the CFC rate for selected medium hub airports and airports located in the northwestern region of the U.S. The current and proposed Boise Airport rates of $7.95, $8.95, and $9.95 per transaction-day, respectively, are towards the upper range of the sample set, 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 Figure 18.

Figure 18
CFC RATE FOR SELECTED NORTHWEST U.S. AIRPORTS AND MEDIUM HUB AIRPORTS
One Day CFC Rate

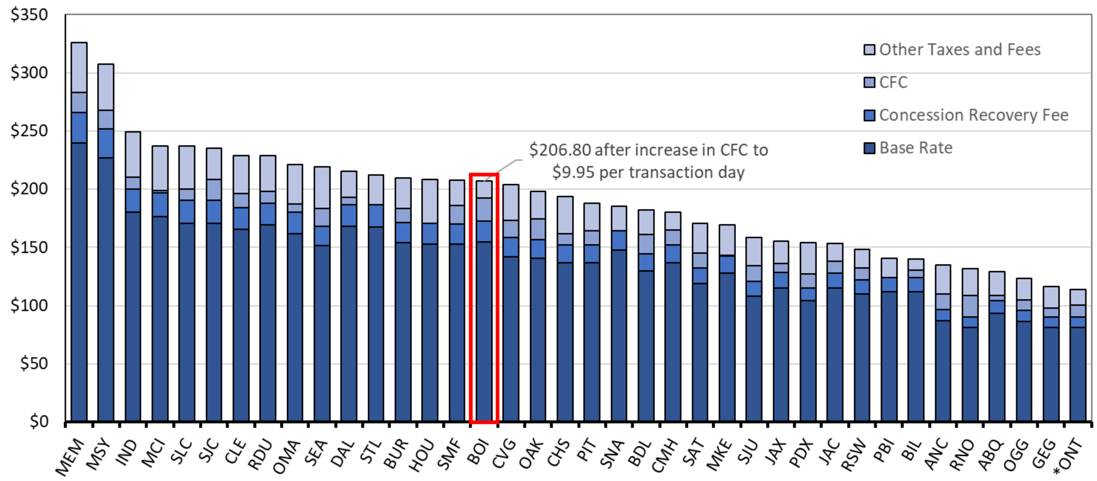


Notes: *Denotes CFC rate is charged on a per transaction basis, not per transaction-day.
Source: Avis.com, for a rental on January 23-24, 2024 as accessed December 21, 2023, analyzed by LeighFisher.

The CFC rate is one component of the total costs of rental. Figure 19 presents the total cost for a rental car customer on a two-day rental at selected airports in the northwestern U.S. and medium-hub airports nationwide The total cost is split into components including base rental rates, concession recovery fees, CFCs, and all other fees and taxes. Boise Airport currently charges a CFC rate of $7.95 per transaction-day, which could translate to $15.90 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 Boise Airport pays (i.e., $202.80). After the CFC is raised to $9.95 per transaction day at the Airport, the equivalent figures would be total CFCs of $19.90 and $206.80 in total overall costs to rent a vehicle, respectively.

Among the 38 airports shown in Figure 19, CFCs, other fees, and taxes make up between 20% and 38% of total rental costs, with an average of 27.3%. Based on the $9.95 CFC rate per transaction-day that the City intends to levy starting on April 1, 2026, Boise Airport's ratio of CFCs, other fees, and taxes are 25.% of total rental costs.

Figure 19
TWO-DAY RENTAL COSTS AND TOTAL TAXES AND FEES FOR SELECTED NORTHWEST U.S. AIRPORTS AND MEDIUM HUB AIRPORTS



Notes: *Denotes CFC rate is charged on a per transaction basis, not per transaction-day.
Source: Avis.com, for a rental on January 23-25, 2024 as accessed December 21, 2023, analyzed by LeighFisher.

Ground Transportation Alternatives

There are a number of ground transportation alternatives for passengers at the Airport, including the following:

Taxis and Shuttle Service: Visiting passengers have the option to use shuttle service, car service, and taxis. The Airport is served by several taxi companies. 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.

Sun Valley Express: Daily scheduled service is provided from Boise Airport to Sun Valley, with tickets costing $105 per person, one-way and the trip taking three hours.

Salt Lake Express: This company provides scheduled bus service throughout the states of Idaho, Utah, Nevada, Wyoming, Montana, and Washington. Routes from Boise Airport include to Twin Falls, Idaho Falls, Sun Valley, and Rexburg (all in Idaho), as well as to Salt Lake City International Airport and Spokane Airport. Some services include a transfer. For example, the service from Boise Airport to Salt Lake City Airport costs $102.60 per passenger, one-way, and the trip takes just under eight hours include one transfer enroute.

Valley Regional Transit: Boise's public transportation system operates a wide range of transportation options, including a fixed route bus system and paratransit services, throughout the Boise area. Adult fares are $1.50 per one-way ride or $2.50 for an all-day pass.

Transportation Network Companies: TNC operations officially commenced at Boise Airport on October 1, 2020, and the City has agreements with both Uber and Lyft to provide such services. During the full calendar year 2023, there were 416,142 TNC transactions at the Airport (208,362 pickups and 207,780 dropoffs), generating approximately $625,000 in revenue for the Airport. This represents a 25.8% increase in TNC transactions over calendar year 2022. Although some of these rides may be in place of passengers who previously relied on friends and family or business associates for transportation to or 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 earlier in Table 13.

While visiting passengers increased at an annual average rate of 5.3% between FY 2017 and FY 2023, rental car transactions declined by 1.2% per year, implying a reduced propensity among visiting passengers to rent a vehicle at the Airport. This period encompassed the COVID-19 pandemic, which had a major effect on Airport activity during FY 2020 and FY 2021. The Airport recovered significantly quicker than many other medium-hub airports, and activity began to normalize by FY 2022.

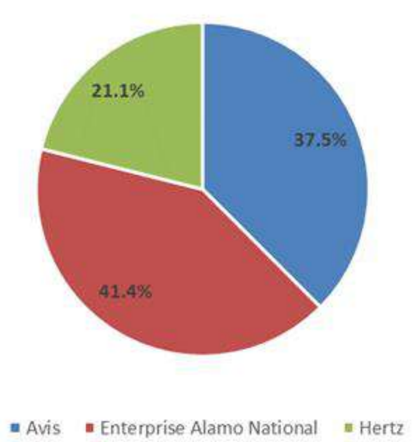
Gross rental car revenues increased significantly between FY 2017 and FY 2019, before declining during the pandemic, but significantly rebounded during FY 2022. Figure 20 shows the market share split of the rental car companies at Boise Airport during FY 2023, based on gross rental car privilege fee revenues.

Figure 20

RENTAL CAR COMPANY MARKET SHARES BASED ON GROSS REVENUES FOR FY 2023

Boise Airport

(Fiscal Years ended September 30)



Source: Boise Airport records.

Table 14 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 observed.

Table 14

TRENDS IN KEY RENTAL CAR METRICS AND VISITING PASSENGERS

Boise Airport

(Fiscal Years ended September 30; in thousands except ratios and percent change)

		2017	2018	2019	2020	2021	2022	2023
Visiting passengers	[A]	746,286	827,976	891,279	578,387	731,931	916,221	1,017,177
Percent change			*10.9%*	*7.6%*	*-35.1%*	*26.5%*	*25.2%*	*11.0%*
Rental car transactions	[B]	261,143	264,687	279,799	180,087	177,810	217,568	242,488
Percent change			*1.4%*	*5.7%*	*-35.6%*	*-1.3%*	*22.4%*	*11.5%*
Gross rental car revenues	[C]	$47,713,277	$51,002,340	$53,988,260	$42,356,542	$55,416,674	$62,351,015	$60,884,234
Percent change			*6.9%*	*5.9%*	*-21.5%*	*30.8%*	*12.5%*	*-2.4%*
Gross revenue per transaction	[C / B]	183	193	193	235	312	287	251
Percent change				*0.1%*	*21.9%*	*32.5%*	*-8.0%*	*-12.4%*
Propensity to rent a vehicle	[B / A]	35.0%	32.0%	31.4%	31.1%	24.3%	23.7%	23.8%
Rental car transaction days	[D]	930,833	955,000	994,167	676,455	720,233	851,824	914,747
Percent change			*2.6%*	*4.1%*	*-32.0%*	*6.5%*	*18.3%*	*7.4%*
Average length of rental (days)	[D / B]	3.6	3.6	3.6	3.8	4.1	3.9	3.8
Percent change								
CFC per transaction day (a)	[E]	$1.20	$1.20	$1.20	$1.20/$3.25	$3.25/$4.25	$4.25/$6.00	$6.00/$6.25
CFC Revenues	[D * E]	$ 1,117,000	$ 1,146,000	$ 1,193,000	$ 1,284,000	$ 2,364,000	$ 4,084,000	$ 5,735,377
Percent change			*2.6%*	*4.1%*	*7.6%*	*84.1%*	*72.8%*	*40.4%*

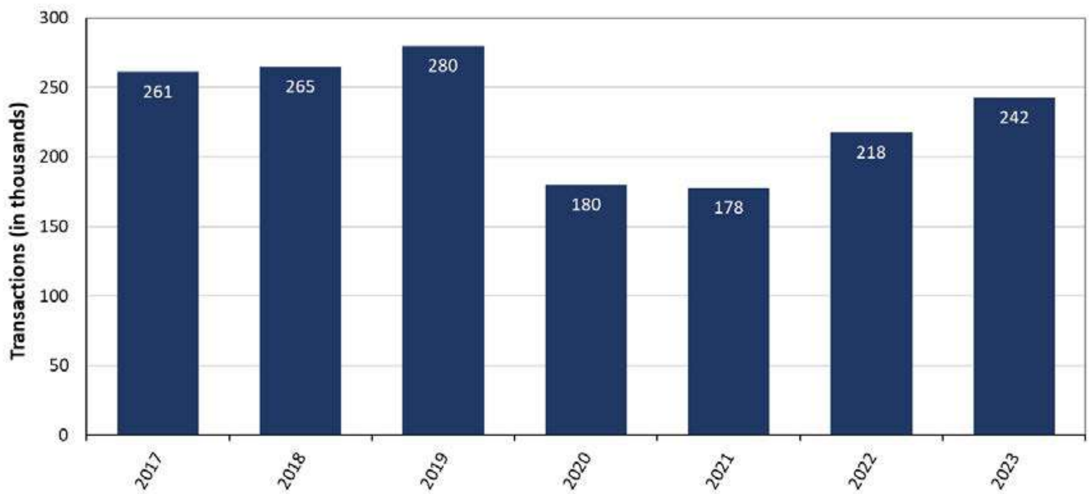
(a) The CFC per transaction day was increased from $1.20 to $3.25 on May 1, 2020; to $4.25 on September 1, 2021; to $6.00 on July 1, 2022; and to $6.50 on April 1, 2023.

Source: Boise Airport records, analyzed by LeighFisher. Certain historical data needed to be estimated or inferred based on comparable actual data that was available.

Rental Car Transactions

Figure 21 shows the trend in Airport rental car transactions since FY 2017. After steadily increasing between FY 2017 and FY 2019, rental car transactions were substantially impacted during FY 2020 and FY 2021 due to the pandemic. Transaction levels commenced recovery in FY 2022 and increased further in FY 2023, to 242,488 transaction in that year.

Figure 21
RENTAL CAR TRANSACTIONS
Boise Airport
(Figures in thousands; Fiscal Years ended September 30)

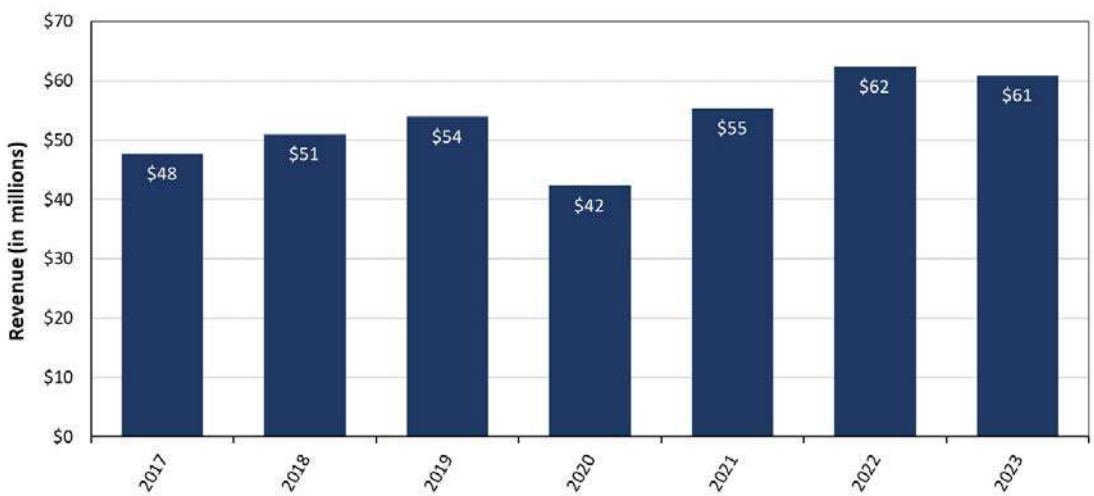


Source: Boise Airport records analyzed by LeighFisher. Certain historical transaction data needed to be estimated or inferred based on comparable actual data that was available.

Gross Rental Car Revenues

Figure 22 presents the trend in Airport rental car gross revenues since FY 2017. Gross revenues in FY 2023 were $60.9 million, a 27.6% increase over FY 2017, or an average annual growth rate of 4.1%. Gross revenues have rebounded strongly since FY 2021, which reflects recovery from the impact of the pandemic.

Figure 22
GROSS RENTAL CAR REVENUES
Boise Airport
(Dollars in millions; Fiscal Years ended September 30)



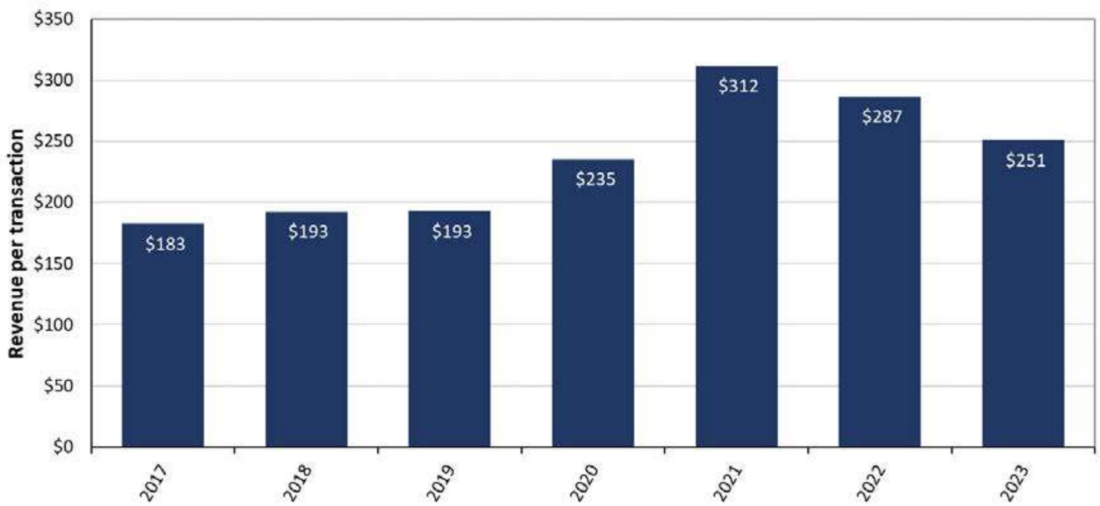
Note: Gross rental car revenues exclude taxes and fees, CFCs, and airport concession fees.

Source: Boise Airport records.

Average Revenue per Transaction

As shown in Figure 23, rental car company gross revenues per transaction were relatively flat between FY 2017 and FY 2019 (in the $180 to $195 range), but spiked significantly during the pandemic, reaching $312 in FY 2021 – a general trend that was observed throughout the industry. Average revenue per transaction declined in FY 2022 and declined further in FY 2023 (to $251 per transaction) – still well above pre-pandemic levels.

Figure 23
GROSS RENTAL CAR REVENUE PER TRANSACTION
Boise Airport
(Fiscal Years ended September 30)

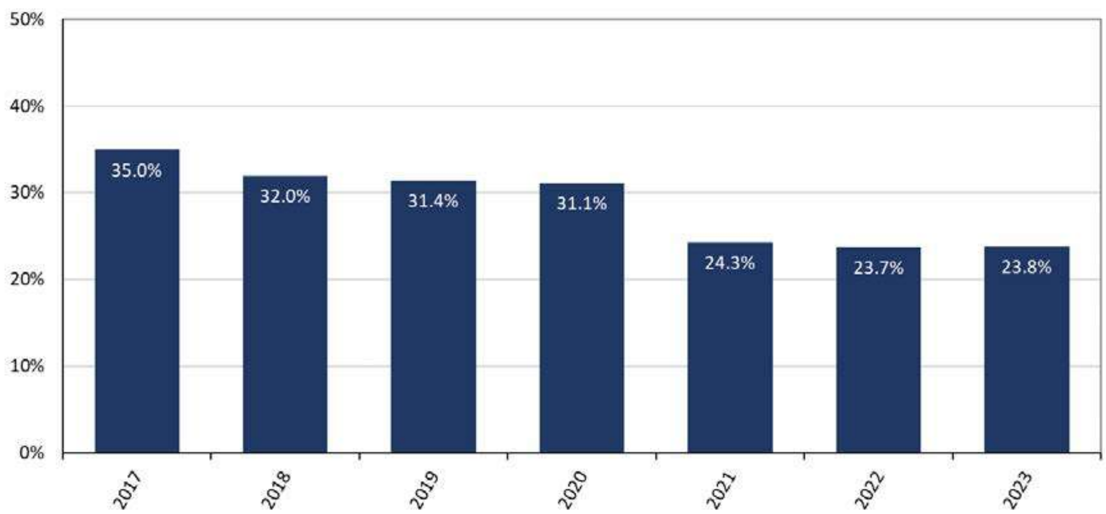


Source: Boise Airport records analyzed by LeighFisher. Certain historical transaction data needed to be estimated or inferred based on comparable actual data that was available.

Rental Car Transactions per Visiting Passenger (Propensity to Rent)

As shown in Figure 24, from FY 2017 to FY 2023, the ratio of rental car transactions per visiting passenger (the propensity to rent), ranged between 35% and 23%. The pre-pandemic levels were in the 30% to 35% range, but have fallen to the range of 25% to 24% since the pandemic, which also coincides with the commencement of TNC operations by agreement at the Airport in December 2020.

Figure 24
PROPENSITY TO RENT
Boise Airport
(Fiscal Years ended September 30)

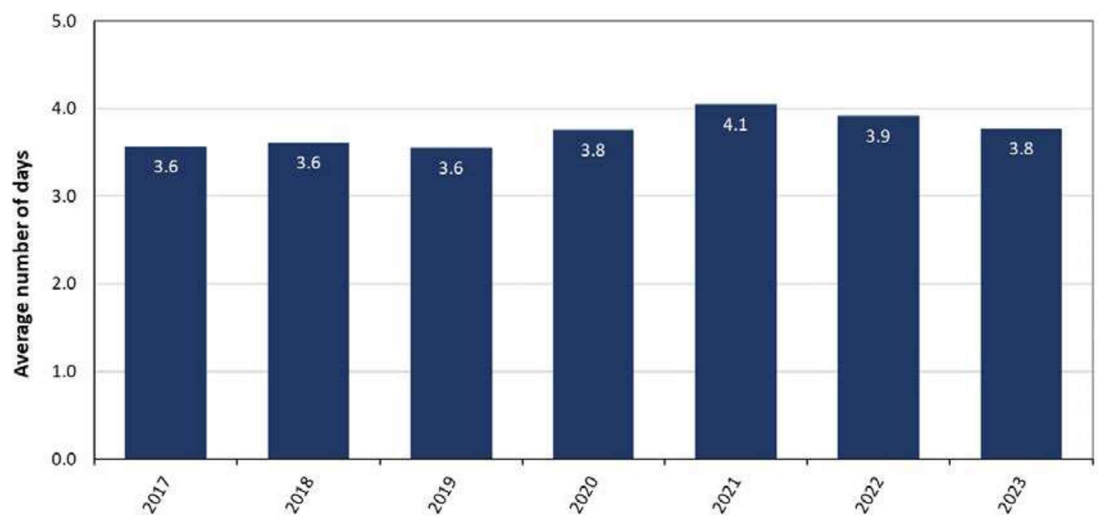


Source: Boise Airport records analyzed by LeighFisher. Certain historical transaction data needed to be estimated or inferred based on comparable actual data that was available.

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. As shown in Figure 25, the average transaction-day at Boise Airport has been relatively consistent since FY 2017, spiking slightly during the period of the pandemic, and was 3.8 days in FY 2023. The national average length of rental car transaction is in the three to four day range.

Figure 25
AVERAGE LENGTH OF RENTAL
Boise Airport
(Fiscal Years ended September 30)



Source: Boise Airport records analyzed by LeighFisher. Certain historical transaction data needed to be estimated or inferred based on comparable actual data that was available.

FORECAST OF RENTAL CAR DEMAND

Forecast of Propensity to Rent and Transactions

As described earlier and shown in Table 13, visiting passengers are forecast to increase by 4.2% from FY 2023 to FY 2024, and by an average of 2.8% per year between FY 2024 and FY 2030. As shown in Figure 26, the propensity to rent a vehicle at the Airport is forecast to remain at 23.8%, the level calculated for FY 2023. The opening of the new ConRAC garage in FY 2026 will increase convenience for rental car customers since the location will be covered from the elements and directly adjacent to the terminal. This added convenience, all other things equal, is expected to have a positive influence on the propensity to rent.

The City has increased the CFC rate per transaction-day from $1.20 to $7.95 in various stages between May 1, 2020, and January 1, 2024. Further increases to $8.95 on October 1, 2024, and to $9.95 on April 1, 2026, have been assumed for purposes of this Report. Such increases were approved by City Council on April 30, 2024. The forecast assumes that no significant decrease in propensity to rent or transactions will occur because of the increase in the CFC rate.

Figure 26 also presents the forecast of rental car transactions, which are forecast to increase from 242,488 in FY 2023 to 299,000 in FY 2030, the same growth rate as for visiting passengers.

Forecast of CFC Transaction Days and CFC Revenues

Figure 27 presents the forecast of CFC Revenues and rental car transaction-days. Rental car transaction days per transaction are forecast to remain at 3.8 for the forecast period, the same level as for FY 2023. 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. It was assumed that the CFC rate will increase to $8.95 on October 1, 2024; to $9.95 on April 1, 2026; and will remain unchanged thereafter for the rest of the forecast period.

CFC transaction days are forecast to increase from 914,747 in FY 2023 to 953,000 in FY 2024, an increase of 4.2%. For the first six months of FY 2024 (October 2023 through March 2024), CFC transaction days increased 5.7%.

CFC transaction days are forecast to further increase in the range of 2.6% to 3.0% per year thereafter, reaching 1,127,000 transaction days in FY 2030.

CFC Revenues are forecast in increase 26.1% from FY 2023 to FY 2024, primarily reflecting the increase in the CFC from $6.50 to $7.95 on January 1, 2024. CFC Revenues are forecast to increase 7.6% per year, on average, between FY 2024 and FY 2030. The forecasted growth is due to the projected increase in visiting passengers, an equivalent increase in transactions and transaction days, and the planned CFC increase to $8.95 at the start of FY 2025, and to $9.95 on April 1, 2026.

Figure 26

FORECAST OF PROPENSITY TO RENT AND RENTAL CAR TRANSACTIONS

Boise Airport

(Fiscal Years ended September 30)

This forecast was prepared on the basis of the information and assumptions described 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 for FY 2022 and FY 2023—Boise Airport records.
Forecast for FY 2024 through FY 2030—LeighFisher, May 2024.

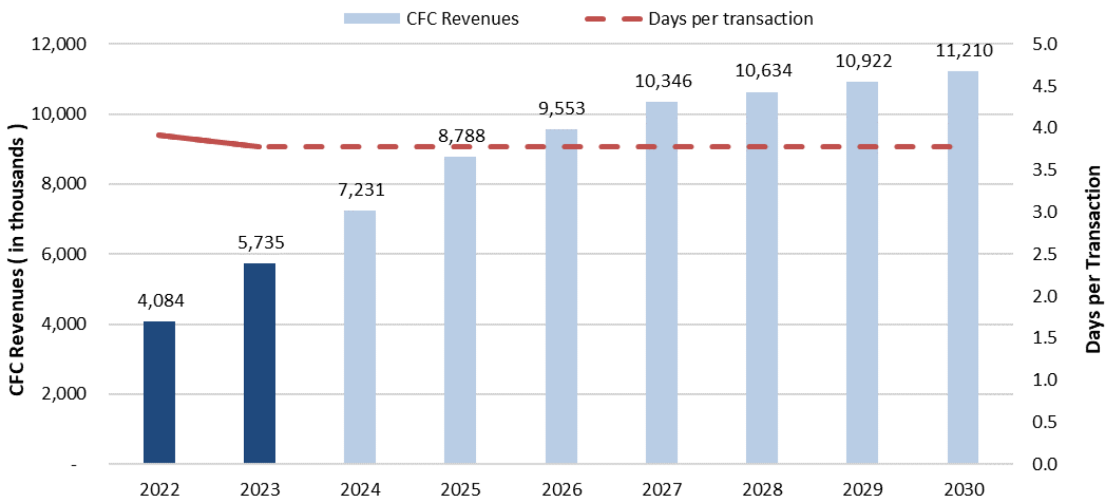
Figure 27

FORECAST OF CFC REVENUES AND DAYS PER RENTAL CAR TRANSACTION

Boise Airport

(Fiscal Years ended September 30)

This forecast was prepared on the basis of the information and assumptions described 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.



Note: The CFC per transaction day increased from $4.25 to $6.00 on July 1, 2022; to $6.50 on April 1, 2023; and to $7.95 on January 1, 2024. A further increase to $8.95 on October 1, 2024; and to $9.95 on April 1, 2026, was assumed for purposes of developing the forecast of CFC Revenues shown herein.

Sources: Actual for FY 2022 and FY 2023—Boise Airport records.
Forecast for FY 2024 through FY 2030—LeighFisher, May 2024.

FINANCIAL ANALYSIS

The City of Boise City, Idaho owns and oversees the administration and operation of the Airport. The City operates the Airport as an economically self-supporting enterprise fund and the City's budgets for the Airport are prepared on a full accrual basis. The City funds Airport operations and capital improvements with revenues generated from airline payments and other Airport Revenues*, PFC revenues, CFC revenues, bond proceeds, and federal grants-in-aid. According to the City, it maintains the financial records for the Airport in accordance with generally accepted accounting principles as they apply to enterprise funds.

The City's outstanding Series 2021A Airport Revenue and Revenue Refunding Bonds, and Series 2021B Airport Revenue Bonds, were issued pursuant to a Trust Indenture (the Senior Indenture) dated as of August 1, 2021. CFC Revenues are explicitly excluded from Airport Revenues as defined in the Senior Indenture. The Series 2021A Bonds and Series 2021B Bonds are the only senior debt of the Airport currently outstanding.

The City's outstanding Airport Revenue Bonds, Subordinate Series 2015, were issued pursuant to a Trust Indenture (the Subordinate Indenture) dated as of August 1, 2015. CFC Revenues are explicitly excluded from Revenues as defined in the Subordinate Indenture. The Series 2015 Bonds are the only subordinate debt of the Airport currently outstanding.

LEGAL BASIS FOR CUSTOMER FACILITY CHARGES AT BOISE AIRPORT

Boise City Code Title 8, Chapter 6, Section 1, provides for the imposition, collection, and use of rental car CFCs in connection with rental car transactions at Boise Airport. The CFC at Boise Airport was originally implemented in July 2003, and the CFC rate charged per rental car transaction day has been subsequently increased on several occasions, most recently to $7.95 per transaction day on January 1, 2024, by resolution of the City Council.

On April 30, 2024, the City Council passed a resolution to increase the CFC to $8.95 per transaction day on October 1, 2024, and subsequently to $9.95 per transaction day on April 1, 2026.

In accordance with the City of Boise Ordinance ORD-49-22, approved on October 4, 2022, CFCs may be used to pay or reimburse the Airport for the costs associated with the design, planning, construction and financing of rental car facilities or improvements exclusively used by the rental car companies doing business at the Airport. CFCs collected may be pledged to the payment of debt service on obligations issued by or on behalf of the Airport for the cost of rental car facilities at the Airport, and to create and maintain reasonable reserves. Eligible costs for the car rental facilities can include all costs, fees and expenses associated with the planning, design, equipping, construction and other related costs for the development, improvement or acquisition of rental car facilities. Eligible

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* Revenues are defined as all income and revenue derived by the City from any rates, fees, tolls, and charges for the services furnished by, or for the use of, the City's airport facilities and properties and income related to 14 Code of Federal Regulations Part 158 as authorized under the Aviation Safety and Capacity Expansion Act of 1990, excluding any grant funds, PFC revenues, and CFC Revenues.

costs may also include ongoing facility maintenance and operating costs, and transportation systems serving the rental car facilities.

THE CFC TRUST INDENTURE

The proposed 2024 Bonds are to be issued in accordance with the CFC Trust Indenture adopted by the City as Issuer and Zions Bancorporation, N.A., as Trustee on June 1, 2024, and are the first series of Bonds to be issued thereunder.

The proposed 2024 Bonds are to be limited obligations of the City, secured only by a pledge of: (1) the revenues generated from the collection of the CFC levied on customers of the rental car companies operating at the Airport, (2) any Deficiency Payments by the rental car companies, and (3) balances in certain funds and accounts established under the terms of the CFC Trust Indenture. ***The proposed 2024 Bonds will not be secured by the general revenues of the City or of the Airport, or by the taxing authority of any governmental entity in the State of Idaho.***

Rate Covenant

The City has covenanted in the Rate Covenant section of the CFC Trust Indenture that, so long as any Bonds issued under the terms of the CFC Trust Indenture remain outstanding, it will set the level of the CFC such that, together with projected Deficiency Payments (if any), sufficient moneys will be generated to make certain deposits to funds and accounts in each Fiscal Year. Further, the City has covenanted that:

> Rates and charges for services rendered by the Issuer related to the CFC Facilities shall be reasonable and just, taking into account the cost and value of the CFC Facilities, operation and maintenance expenses, possible delinquencies, proper allowances for depreciation, contingencies, and the amounts necessary to meet all Aggregate Debt Service Requirements. There shall be charged against all users, including the State and its subdivisions, as long as the Bonds are Outstanding, rates and charges sufficient to produce said Pledged Revenues at least equal to 125% of the Aggregate Debt Service Requirements for the applicable Fiscal Year.

Funds and Accounts and Application of Revenues

The CFC Trust Indenture establishes a number of funds and accounts related to the collection and disposition of CFCs, including certain reserve accounts. The Revenue Fund is the depository for CFC Revenues collected from the rental car companies, and Deficiency Payments (if any).

In accordance with Section 3.4 of the CFC Trust Indenture and Section 4.06 of the New RAC Agreement, monies in the Revenue Fund are to be allocated in the following order of priority, as shown in Figure 28:

- ***Bond Fund:*** For payment of regularly scheduled principal and interest payments on the 2024 Bonds and any other senior lien Bonds to be issued under the CFC Trust Indenture.
- ***Debt Service Reserve Fund:*** In the event that moneys in this fund have been drawn down, for the replenishment of the fund to bring it to certain specified levels.
- ***Expense Fund:*** For the payment of Bonds related fees and charges, including Trustee fees, administration fees, and rebates, as applicable.

- ***Repair and Replacement Fund:*** Deposits to this fund in accordance with the requirements of the CFC Trust Indenture and the New RAC Agreement – $500,000 million per year for six Fiscal Years commencing after the in-service date of Phase 1 of the ConRAC facility or FY 2028, whichever is earlier; with replenishments thereafter if balances in this fund are drawn down. No deposits to this fund would be made prior to DBO of Phase 1 of the ConRAC facility.
- ***Deficiency Reserve Account:*** To provide funds to reimburse the rental car companies for a portion of any Deficiency Payments that they may need to make during the term of the New Rental Car Agreement. No deposits to this fund would be made prior to DBO of Phase 2 of the ConRAC facility. Subsequent to DBO of Phase 2, this account would be funded up to 25% of MADS on the 2024 Bonds. There may be replenishments to this account if any funds are drawn down, at the discretion of the City.
- ***Surplus Fund:*** The depository for all remaining Pledged Revenues after the fulfillment of the prior commitments noted above. The Surplus Fund would incorporate a ***Coverage Account*** which would be funded at 25% of MADS over a 12-month period after expiration of the capitalized interest period on the 2024 Bonds. At DBO of Phase 2 of the ConRAC facilities, the Coverage Account balance would be transferred to the Trustee for deposit to the Deficiency Reserve Fund.

All remaining CFC Revenues available would be used for the development costs of Phase 1 and Phase 2 of the ConRAC facility through DBO of Phase 2. Subsequent to the completion of Phase 2 of the ConRAC facility, amounts accruing in the CFC Surplus Fund may be used for any lawful Airport rental car-related purpose at the discretion of the City, including accelerated debt service payment on Bonds, payment of operation and maintenance expenses for the ConRAC facility, reimbursement of Deficiency Payments to the rental car companies (if any, and beyond what can be reimbursed from the Deficiency Reserve Account), or any other lawful Airport rental car-related purpose.

In the New RAC Agreement, the City has agreed to apply 25% of any remaining funds available on an annual basis for deposit to the Surplus Fund (after all higher priority obligations have been met) to the repayment of any unreimbursed Deficiency Payments that the rental car companies may have made in the past, without interest.

Figure 28

APPLICATION OF REVENUES

Priority for Application	Fund	Held By	Pre-DBO of Phase 1	Pre-DBO of Phase 2	After DBO of Phase 2
	Revenue Fund Depository for Pledged Revenues (CFC Revenues and Deficiency Payments)	Trustee	No Deficiency Payments would be paid until DBO of Phase 1	Deficiency Payments to be paid by the rental car companies after DBO of Phase 1 (if needed)	
1	**Bond Fund** Payment of principal and interest on the Bonds	Trustee	No deposits until expiration of Capitalized Interest period for 2024 Bonds	Deposits necessary to pay scheduled interest and principal on the 2024 Bonds and any future Bonds issued under the CFC Trust Indenture	
2	**Debt Service Reserve Fund** Reserve for payment of debt service on the Bonds (a)	Trustee	Not applicable until expiration of Capitalized Interest period for 2024 Bonds	Deposits as necessary to replenish Debt Service Reserve Fund for the 2024 Bonds and any future Bonds issued under the CFC Trust Indenture (if any)	
3	**Expense Fund** Payment of Trustee fees, Bond administration fees, and rebates, as applicable	Trustee	Payment of Bond-related fees as needed		
4	**Repair & Replacement Fund** Reserve for rehabilitation and refurbishment of ConRAC facilities	City	No deposits through DBO of Phase 1	Deposits of $500,000 per year for 6 years commencing the earlier of the first full fiscal year after DBO of Phase 1, or FY 2028; replenishment thereafter as needed	
5	**Deficiency Reserve Fund** Reserve for reimbursement of rental car companies for any Deficiency Payments they may make	Trustee	No deposits through DBO of Phase 2		Deposits up to 25% of Maximum Annual Debt Service (MADS) on the 2024 Bonds; replenishments may be made at City's discretion
6	**Surplus Fund** Remaining funds available for any Airport rental car purpose	City	Balances in the Surplus Fund used for development costs of Phase 1 and Phase 2 (through DBO of Phase 2)		Available for any Airport rental car purpose at the discretion of the City (b)
6A	**Coverage Account** Reserve within the Surplus Fund to demonstrate rolling coverage on the 2024 Bonds	City	No deposits through DBO of Phase 1	Funded at 25% of MADS over a 12-month period after expiration of capitalized interest period on the 2024 Bonds	At DBO of Phase 2, Coverage Account balance to be transferred to Trustee for deposit to Deficiency Reserve Fund

(a) The Debt Service Reserve Fund to be initially funded from 2024 Bond proceeds.

(b) Including accelerated debt service payments, Deficiency Payment reimbursement to the rental car companies, O&M expenses for the ConRAC facility, or any other lawful Airport rental car-related purpose. Per the New RAC Agreement, City would apply 25% of any remaining funds available on an annual basis for deposit to the Surplus Fund to the repayment of unreimbursed Deficiency Payments that the rental car companies may have made in the past, without interest.

Source: CFC Trust Indenture; New RAC Agreement.

Additional Bonds

The City may issue additional Bonds on parity with the proposed 2024 Bonds in accordance with the Section 2.11 of the CFC Trust Indenture. Additional Bonds may be issued to finance completion of the ConRAC Project, an improvement or expansion to the ConRAC (or a facility related to the ConRAC approved by the City), repairs or extraordinary maintenance for the ConRAC, the refunding of Outstanding Bonds under the CFC Trust Indenture, or to pay related issuance costs or meet Bond reserve funding requirements.

The City currently anticipates the need to issue Additional Bonds to undertake the second phase of the ConRAC Project (entailing the construction of new QTA facilities for the rental car companies adjacent to the ConRAC garage) during the later years of the forecast period described in this Report, but no earlier than June 2027. Phase 2 of the project is expected to be completed within a two-year construction schedule. As the planning activities and project budget for Phase 2 are still in process, debt service and coverage projections associated with this phase are not reflected in this Report. Phase 2 will only be undertaken when it is financially viable to do so, as evidenced by future aviation activity levels, rental car transaction day trends, the ability of the City to increase the CFC rate in comparison to peer airports and industry ranges, to provide sufficient debt service coverage on the Additional Bonds as well as the 2024 Bonds, and general financial market conditions.

The City may refinance the proposed 2024 Bonds or other Bonds to be issued under the terms of the CFC Trust Indenture, from time to time, based on financial market conditions.

Subordinate Bonds and Debt

The CFC Trust Indenture also provides for the City to issue additional debt subordinate to the proposed 2024 Bonds (Subordinate Bonds). Any Subordinate Bonds, or other subordinated debt, would be repaid, with interest, from CFC Revenues on a subordinated basis to the 2024 Bonds. The City does not currently anticipate the need to issue Subordinate Bonds under the CFC Trust Indenture.

CONRAC PROJECT COSTS

Exhibit A shows the estimated development costs for Phase 1 of the ConRAC Project. The total estimated first phase cost of $110.0 million includes all hard costs, soft costs, and allowances for contingencies and escalation, including planning, design, environmental permitting, construction, and commissioning. Construction activities began in April 2024, and the new facility is expected to be operational by the Spring of 2026.

Total planning, programming, permitting, and design costs for the project are estimated to be $10.7 million. The design elements of the project are substantially complete. Construction is being undertaken on a "construction manager at risk" basis, with a construction manager agreement and three guaranteed maximum price (GMP) contracts, as follows:

- GMP Contract 1 – Utility relocation, excavation, road improvements, building demolition, soil improvements, and other fixed job specific expenses to support construction activities for the duration of the ConRAC Project. This contract for $16.3 million was executed by the City and the contractor in November 2023.

- GMP Contract 2 – Foundations and long lead time procurement items such as elevators, electrical gear, and structural steel. This contract for $7.1 million was executed by the City and the contractor in January 2024.
- GMP Contract 3 – Alternate ramp, ready/return garage, customer service building, full length connecting walkway, generator/UPS, and canopy demolition. This contract for $64.7 million was executed by the City and the contractor in April 2024.

On a preliminary basis, Phase 2 of the ConRAC Project – involving the development of QTA facilities adjacent to the new ConRAC garage – is expected to occur at a future date, but cannot start before June 2027. The development of Phase 2 of the facility is not included in the financial projections described in this Report, as the cost estimate and scope are not yet finalized. Phase 2 would only be undertaken when it is financially viable for the City to do so.

CONRAC PROJECT PLAN OF FINANCE

As shown in Exhibit B, the estimated funding sources for Phase 1 of the ConRAC Project include (1) proceeds from the sale of the 2024 Bonds, and (2) accumulated CFC Collections (including amounts collected to date and amounts expected to be collected through DBO of Phase 1 of the project).

Exhibit B also shows the expected uses of funds for the ConRAC Project. The net proceeds of the 2024 Bonds, and certain investment earnings thereon, are to be used to: (1) pay a portion of the costs of Phase 1 of the project, (2) fund the Debt Service Reserve Fund requirement for the 2024 Bonds, (4) pay for capitalized interest on the 2024 Bonds through the opening of Phase 1 of the ConRAC, and (5) pay the costs of issuance of the 2024 Bonds.

DEBT SERVICE REQUIREMENTS

Exhibit C shows the forecast annual Aggregate Debt Service requirements for the 2024 Bonds. Debt service requirements for the proposed 2024 Bonds were provided by the City's registered municipal advisor for the 2024 Bonds, on the basis of certain data and information provided by the City regarding the cost and timing of the ConRAC Project elements and the following assumptions:

All-in true interest cost	7.21%
Bond term	30 years

The 2024 Bonds were assumed to be issued at a fixed interest rate. It was assumed that there would be $11.2 million of capitalized interest on the 2024 Bonds.

Debt service on the 2024 Bonds (net of debt service paid with capitalized interest) is forecast to increase from $2.6 million in FY 2026 to $7.3 million in FY 2030.

CFC TRANSACTION DAY AND REVENUE FORECAST

Exhibit D presents historical and forecast visiting O&D passengers, rental car transaction days, the CFC per transaction day, and CFC Collections. For purposes of this analysis, it was assumed that the CFC would increase from $7.95 to $8.95 per transaction day on October 1, 2024; to $9.95 per transaction day on April 1, 2026 (which is the assumed DBO of Phase 1 of the ConRAC facility); and remain at that level throughout the remainder of the forecast period. City Council approved these two increases at its meeting on April 30, 2024. The City may at its discretion further increase the CFC beyond these levels during the forecast period if financial conditions warrant such increases.

Rental car transaction days are forecast to increase from 914,747 in FY 2023 to 1.1 million in FY 2030. CFC Collections are forecast to increase from $5.7 million in FY 2023 to $11.2 million in FY 2030, reflecting growth in rental car transaction days, as well as the increases in the CFC rate described above.

As noted earlier, any Deficiency Payments collected from the rental car companies would also be pledged to payment of the 2024 Bonds and deposited into the Pledged Revenue Fund. No such Deficiency Payments were assumed to be needed during the forecast period for the purpose of this Report.

APPLICATION OF CFC REVENUES

Exhibit E presents the forecast application of CFC Revenues as required under the CFC Trust Indenture and the New RAC Agreement with the rental car companies. No deposits are forecast to be needed to the Debt Service Reserve Fund.

DEBT SERVICE COVERAGE

Exhibit F presents the calculation of forecast debt service coverage in accordance with the Rate Covenant of the CFC Trust Indenture in each year through FY 2030. Debt service coverage on a cash flow basis is forecast to range between 1.45 times and 1.54 times during FY 2027 through FY 2030. Thus, the Rate Covenant provision of the CFC Trust Indenture is forecast to be met in each Fiscal Year of the forecast period.

SENSITIVITY CASE

To test the sensitivity of the financial forecasts to hypothetical lower levels of rental car transactions, a sensitivity case was developed in addition to the base forecast. The sensitivity case projections should not be considered forecasts of expected future results.

For purposes of the sensitivity case, it was assumed that annual CFC transaction days would remain constant at FY 2023 levels (914,717) throughout the projection period, with no annual growth.

Apart from lower projected rental car transaction-days, all other assumptions under the sensitivity case are the same as for the base forecast, including the CFC levy. Under the sensitivity case, debt service coverage ratios are projected to meet the Rate Covenant provision of the CFC Trust Indenture.

Exhibit A
ESTIMATED CONRAC PROJECT - PHASE 1 COSTS AND FUNDING
Boise Airport
(For Fiscal Years ending September 30)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts 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.

	SPENDING PROFILE - PHASE 1				
	Through 3/1/2024	**Remainder of FY 2024**	**FY 2025**	**FY 2026 (a)**	**Total**
Spending profile					
Phase 1 project costs	$ 10,441,199	$ 23,418,361	$ 61,764,540	$ 14,375,900	$ 110,000,000
Funding method					
2024 Bond proceeds (b)	$ -	$ 7,816,444	$ 61,764,540	$ 419,016	$ 70,000,000
CFCs pay-go	10,441,199	15,601,917	-	13,956,884	40,000,000
	$ 10,441,199	$ 23,418,361	$ 61,764,540	$ 14,375,900	$ 110,000,000

(a) The date of beneficial occupancy (DBO) of the project is assumed to be April 1, 2026.
(b) FY 2024 Bond funded amount equals all projected project expenditures during July - Sept 2024.
Source: Boise Airport, March 2024.

Exhibit B

SOURCES AND USES OF FUNDS

CONRAC PROJECT - PHASE 1

Boise Airport

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts 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.

	Proposed 2024 Bond proceeds	**Pay-as-you-go CFCs (a)**	**Other Airport funds (b)**	**Total**
Sources of Funds				
Par amount of the Bonds				
Series 2024 Bonds	$ 86,865,000	$ -	$ -	$ 86,865,000
Other funds	-	40,000,000	-	40,000,000
Total sources of funds	**$ 86,865,000**	**$ 40,000,000**	**$ -**	**$ 126,865,000**
Uses of Funds				
Project Fund for the 2024 Bonds	$ 70,000,000	$ -	$ -	$ 70,000,000
Capitalized Interest Fund	9,026,153	-	-	9,026,153
Debt Service Reserve Fund	7,287,159	-	-	7,287,159
Costs of issuance	551,688	-	-	551,688
CFC pay-go funded costs				
Spent through 3/1/24	-	10,441,199	-	10,441,199
Unspent as of 3/1/24	-	29,558,801	-	29,558,801
Total CFC pay-go	-	40,000,000	-	40,000,000
Total uses of funds	**$ 86,865,000**	**$ 40,000,000**	**$ -**	**$ 126,865,000**

(a) Accumulated CFC Collections, including amounts already collected and forecast to be collected through opening of the ConRAC - Phase 1.

(b) Airport sources include unrestricted cash balances.

Source: PFM Financial Advisers LLC, April 16, 2024; and Boise Airport.

Exhibit C
DEBT SERVICE REQUIREMENTS
CONRAC PROJECT - PHASE 1
Boise Airport
(For Fiscal Years ending September 30)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts 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						
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Proposed Series 2024 Bonds							
Debt service	$ 1,485,521	$ 6,146,985	$ 6,146,985	$ 7,146,985	$ 7,285,785	$ 7,284,802	$ 7,283,396
Less: Capitalized Interest Fund draws	(1,485,521)	(6,146,985)	(3,585,741)	-	-	-	-
Net debt service	**$ -**	**$ -**	**$ 2,561,244**	**$ 7,146,985**	**$ 7,285,785**	**$ 7,284,802**	**$ 7,283,396**

Source: PFM Financial Advisers LLC, April 16, 2024.

Exhibit D
RENTAL CAR TRANSACTION DAYS AND CFC COLLECTIONS
Boise Airport
(For Fiscal Years ending September 30)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts 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.

	Actual		Forecast						
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Enplaned passengers (a)	2,145,944	2,370,374	2,469,000	2,544,000	2,619,000	2,694,000	2,769,000	2,844,000	2,919,000
Percent change		*10.5%*	*4.2%*	*3.0%*	*2.9%*	*2.9%*	*2.8%*	*2.7%*	*2.6%*
Visiting O/D passengers	916,221	1,017,177	1,059,000	1,092,000	1,124,000	1,156,000	1,188,000	1,220,000	1,253,000
Percent change		*11.0%*	*4.1%*	*3.1%*	*2.9%*	*2.8%*	*2.8%*	*2.7%*	*2.7%*
Rental car transaction days	851,824	914,747	953,016	981,950	1,010,884	1,039,819	1,068,753	1,097,687	1,126,621
Percent change		*7.4%*	*4.2%*	*3.0%*	*2.9%*	*2.9%*	*2.8%*	*2.7%*	*2.6%*
CFC per transaction day (b)	$4.25/$6.00	$6.00/$6.50	$6.50/$7.95	$8.95	$8.95/$9.95	$9.95	$9.95	$9.95	$9.95
CFC Collections	**$ 4,084,000**	**$ 5,735,377**	**$ 7,231,009**	**$ 8,788,453**	**$ 9,552,854**	**$ 10,346,199**	**$ 10,634,092**	**$ 10,921,986**	**$ 11,209,879**
Percent change		*40.4%*	*26.1%*	*21.5%*	*8.7%*	*8.3%*	*2.8%*	*2.7%*	*2.6%*

(a) For purposes of the forecast, it was assumed that total enplaned passengers equals total deplaned passengers.
(b) The CFC per transaction day rate was increased from $4.25 to $6.00 on July 1, 2022; to $6.50 on April 1, 2023; and to $7.95 on January 1, 2024.
The CFC per transaction day is assumed to increase further to $8.95 on October 1, 2024, and to $9.95 on opening day of Phase 1 (4/1/26).
Source: Actual data - Boise Airport.

Exhibit E
APPLICATION OF CFC REVENUES
Boise Airport
(For Fiscal Years ending September 30)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts 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.

		Projected						
	Priority	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues								
CFC Collections		$ 7,231,009	$ 8,788,453	$ 9,552,854	$ 10,346,199	$ 10,634,092	$ 10,921,986	$ 11,209,879
Deficiency Payments		-	-	-	-	-	-	-
Total		$ 7,231,009	$ 8,788,453	$ 9,552,854	$ 10,346,199	$ 10,634,092	$ 10,921,986	$ 11,209,879
Application of Revenues								
Bond Fund	1	-	-	2,561,244	7,146,985	7,285,785	7,284,802	7,283,396
Debt Service Reserve Fund deposit	2	-	-	-	-	-	-	-
Expense Fund	3	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Repair & Replacement Fund	4	-	-	-	500,000	500,000	500,000	500,000
Deficiency Reserve Fund	5	-	-	-	-	-	-	-
Subtotal (Priority 1 through 5)		5,000	5,000	2,566,244	7,651,985	7,790,785	7,789,802	7,788,396
Surplus Fund deposit (= remaining amount)	6	7,226,009	8,783,453	6,986,610	2,694,214	2,843,307	3,132,184	3,421,483
Total Application of Revenues		$ 7,231,009	$ 8,788,453	$ 9,552,854	$ 10,346,199	$ 10,634,092	$ 10,921,986	$ 11,209,879

Note: Application of Revenues in accordance with the CFC Trust Agreement and the New RAC Agreement.

Exhibit F

DEBT SERVICE COVERAGE

CONRAC PROJECT - PHASE 1

Boise Airport

(For Fiscal Years ending September 30)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts 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						
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Revenues							
CFC Collections	$ 7,231,009	$ 8,788,453	$ 9,552,854	$ 10,346,199	$ 10,634,092	$ 10,921,986	$ 11,209,879
Deficiency payments	-	-	-	-	-	-	-
	$ 7,231,009	$ 8,788,453	$ 9,552,854	$ 10,346,199	$ 10,634,092	$ 10,921,986	$ 11,209,879
Aggregate Debt Service	-	-	2,561,244	7,146,985	7,285,785	7,284,802	7,283,396
Coverage Account balance (end of year)	-	-	-	1,857,875	1,895,033	1,932,933	1,932,933
Debt Service Coverage - cash flow basis	-	-	3.73	1.45	1.46	1.50	1.54
Debt Service Coverage requirement			*1.25*	*1.25*	*1.25*	*1.25*	*1.25*
Debt Service Coverage including Coverage Account balance		-	3.73	1.71	1.72	1.76	1.80

Exhibit G

SUMMARY OF FINANCIAL PROJECTIONS - SENSITIVITY CASE
CONRAC PROJECT - PHASE 1
Boise Airport
(For Fiscal Years ending September 30)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and agreed to by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the projected and actual results, and those differences may be material.

	Projection						
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
CFC transaction days							
Base case	953,016	981,950	1,010,884	1,039,819	1,068,753	1,097,687	1,126,621
Sensitivity case	**914,747**	**914,747**	**914,747**	**914,747**	**914,747**	**914,747**	**914,747**
Sensitivity case reduction from Base	*-4.0%*	*-6.8%*	*-9.5%*	*-12.0%*	*-14.4%*	*-16.7%*	*-18.8%*
Revenues							
CFC Collections	$ 6,940,643	$ 8,186,986	$ 8,644,359	$ 9,101,733	$ 9,101,733	$ 9,101,733	$ 9,101,733
Deficiency payments	-	-	-	-	-	-	-
	$ 6,940,643	$ 8,186,986	$ 8,644,359	$ 9,101,733	$ 9,101,733	$ 9,101,733	$ 9,101,733
Aggregate Debt Service	-	-	2,561,244	7,146,985	7,285,785	7,284,802	7,283,396
Coverage Account balance (end of year)	-	-	-	1,857,875	1,895,033	1,932,933	1,932,933
Debt Service Coverage - cash flow basis	-	-	3.38	1.27	1.25	1.25	1.25
Debt Service Coverage requirement			*1.25*	*1.25*	*1.25*	*1.25*	*1.25*
Debt Service Coverage including Coverage Account balance		-	3.38	1.53	1.51	1.51	1.52

APPENDIX B

FORM OF THE CFC INDENTURE

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EXECUTION COPY

TRUST INDENTURE
(CUSTOMER FACILITY CHARGE)

From

CITY OF BOISE CITY, IDAHO
as Issuer

To

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee

Relating To:

$86,025,000

City of Boise City, Idaho
Airport Customer Facility Charge Revenue Bonds
(ConRAC Project), Series 2024 (Federally Taxable)

Dated as of June 1, 2024

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Exhibit A - Bond Insurance Provisions

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of June 1, 2024 (this "**Indenture**"), between the City of Boise City, Idaho (the "**Issuer**"), a municipal corporation duly organized, existing and operating under the laws of the State of Idaho, and Zions Bancorporation, National Association, as Trustee (the "**Trustee**"), a national banking association organized under the laws of the United States of America.

R E C I T A L S:

A. The Issuer is authorized under the Constitution and laws of the State of Idaho, being Article VIII, Section 3E of the Constitution; the Revenue Bond Act, Sections 50-1027 through 50-1042, inclusive, Idaho Code; Sections 57-501 through 57-504, inclusive, Idaho Code; and Section 21-401, Idaho Code (collectively, the "**Act**") to issue revenue bonds and revenue refunding bonds, without approval of the electorate, to finance the acquisition and construction of "airport facilities" as defined in the Revenue Bond Act.

B. The Issuer has determined that it is both necessary and economically feasible for the Issuer to construct, acquire, and install a consolidated rental car center and related improvements at the Boise Air Terminal/Gowen Field, including a seven level parking garage with approximately 1,200 parking stalls, ready/return and staging areas, customer service areas, offices for rental car companies, and a covered walkway connecting the rental car facilities to the west-end of the air terminal at baggage claim, allowing passengers to retrieve their checked luggage from baggage then walk directly to the rental car facilities to check-in and rent vehicles (collectively, the "**Project**"), and to provide a portion of the funds for the same by the issuance of its revenue bonds in the manner provided by the Act.

C. The Issuer desires to authorize, pursuant to the Act and this Indenture, the issuance and sale of its Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable) in the aggregate principal amount of $86,025,000 (the "**2024 Bonds**").

D. The proceeds of the 2024 Bonds will be used (i) to pay a portion of the Costs of Construction of the Project, (ii) to make the required deposit into the Debt Service Reserve Fund, as hereinafter provided, (iii) to fund capitalized interest on the 2024 Bonds, and (iv) to pay certain costs associated with the issuance of the Series 2024 Bonds.

E. The execution and delivery of the 2024 Bonds and of this Indenture, and all things necessary to make the 2024 Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Indenture a valid and binding agreement have been duly authorized by the Mayor and Council of the Issuer by Ordinance No. ORD-14-24, adopted by the Council on May 7, 2024.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the Issuer in consideration of the covenants herein, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of Bonds issued hereunder by the purchasers thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all Bonds Outstanding hereunder from time to time, according to their tenor and effect, and to secure the observance and performance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby pledge and assign unto the Trustee, acting on behalf of the Bondowners, and unto its successors and assigns (all terms not previously defined shall have the meanings provided in Article 1):

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer in and to all moneys and securities in all funds and accounts from time to time held by the Trustee under the terms of this Indenture and investments, if any, thereof and earnings, if any, thereon; and

GRANTING CLAUSE SECOND

All Pledged Revenues on parity with permitted parity lien obligations, if any, as provided herein; and

GRANTING CLAUSE THIRD

All moneys and securities and all other rights of every kind and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the Issuer or by anyone on its behalf, or with its written consent and to hold and apply such property, subject to the rights granted the Issuer herein to direct the release of moneys free from the lien of this Indenture under the terms and conditions set forth herein;

TO HAVE AND TO HOLD all of the same, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Bondowners of the Bonds from time to time issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required under this Indenture or shall provide, as permitted by Article 13 hereof, for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the Bond Registrar, the Paying Agent and all agents of any of them for the registration, authentication, transfer or exchange of Bonds, all sums of money due or to become due to it or them in accordance with the terms and provisions hereof, then this Indenture and the rights hereby granted shall cease, determine and be void, all as set forth in Article 13 hereof; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, that in order to secure the payment of the principal of, and the interest on, all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Issuer does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE 1
DEFINITIONS

In this Indenture and any indenture supplemental hereto (except as otherwise expressly provided or unless the context otherwise requires) the singular includes the plural, the masculine includes the feminine, and the following terms shall have the meanings specified in the foregoing recitals as well as the meanings set forth below, unless the context otherwise requires:

"Act" means collectively the following laws and statutes: Article VIII, Section 3E of the Constitution of the State of Idaho; the Revenue Bond Act, Sections 50-1027 through 50-1042, inclusive, Idaho Code; Sections 57-501 through 57-504, inclusive, Idaho Code, and Section 21-401, Idaho Code.

"**Aggregate Debt Service**" means, as of any date of calculation and with respect to any period, the sum of all principal and interest components on all Outstanding Bonds issued hereunder due during such period.

"**Aggregate Debt Service Requirements**" for any period means the sum of (a) the amount required to pay the interest on Bonds issued hereunder and any permitted parity obligations payable from Pledged Revenues during such period; and (b) the amount required to pay the principal or redemption price of Bonds issued hereunder and any permitted parity obligations, payable from Pledged Revenues whether at stated maturity, upon mandatory redemption or upon the exercise of any option to redeem such obligations.

"**Airport**" means the Boise Airport Terminal/Gowen Field, situated on land owned and operated by the City.

"**Authorized Officer**" means, with respect to the Issuer, the Mayor, Clerk, Treasurer, Deputy Treasurer, or anyone designated in writing by the Issuer to serve as an Authorized Officer hereunder and, with respect to the Trustee, any Vice President, Assistant Vice President, Trust Officer, or Assistant Trust Officer of the Trustee.

"**Beneficial Owner**" means, with respect to the Bonds, a person owning a Beneficial Ownership Interest therein.

"**Beneficial Ownership Interest**" means the beneficial right to receive payments and notices from the Depository with respect to the Bonds which are held by the Depository under a book entry system.

"**Bond**" or "**Bonds**" means the 2024 Bonds and any additional bonds or obligations issued under this Indenture.

"**Bondowner**" or "**Owner of Bonds**" or "**Owner**" or "**Registered Owner**" or any similar term, when used with respect to a Bond, means the registered Owner of any Outstanding Bond as indicated in the Bond Register maintained by the Trustee.

"**Bond Fund**" means the fund so designated which is established pursuant to Section 3.1 hereof.

"**Bond Register**" means the record of Bondowner registration kept by the Bond Registrar.

"**Bond Registrar**" means the Trustee and its successors.

"**Bond Year**" means June 4, 2024, through June 4, 2025, and each year thereafter as long as the Bonds are Outstanding.

"**Business Day**" means any day, other than a Saturday, Sunday or a holiday of the Issuer, when the office of the Trustee responsible for the administration of the Indenture is open for business or banking institutions and DTC are open for business.

"**Cede**" means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

"**Certified Resolution**" means a copy of one or more resolutions or ordinances certified by the Clerk of the Issuer under its seal to have been duly adopted by the Council and Mayor of the Issuer and to be in effect on the date of such certification.

"**CFC(s)**" or "**Customer Facility Charge(s)**" means the customer facility charge implemented by the City on rental car transactions occurring on or about the Airport and required to be collected by the City and remitted to the Trustee pursuant to this Indenture.

"**CFC Facilities**" or "**CFC Facility**" means, collectively, any equipment or facilities designated by the City as facilitating the provision of rental car operations at the Airport, including but not limited to the Project and any related common-use transportation equipment and facilities.

"**CFC Revenues**" means the Customer Facility Charges imposed by the City, and levied and collected for the benefit of the Airport by rental car company tenants of the City upon rental car customers at the Airport, and authorized by Boise City Code Title 12, Chapter 22, passed and approved by the Boise City Council on June 3, 2003, and as thereafter amended.

"**City**" means the City of Boise City, Idaho, as Issuer, and its successors.

"**Clerk**" means the Clerk of the City.

"**Closing Date**" means as to the Series 2024 Bonds, June 4, 2024, and as to an additional Series of Bonds, the date of issuance of such Series.

"**Code**" means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable regulations and revenue rulings issued with respect thereto by the Treasury Department or the Internal Revenue Service of the United States.

"**Completion Date**" means the date of final acceptance of the Project by the Issuer, as evidenced by the certificate provided for in Section 4.2 of this Indenture.

"**Construction Contract**" means any construction, acquisition or installation contract between the Trustee, or the Issuer on behalf of the Trustee, and any contractor, and between any contractor or subcontractor and its immediate subcontractor regarding the Project.

"**Consultant's Report**" means a report signed by a nationally recognized independent financial consultant firm, engineer or financial services firm selected by the Issuer, which report shall include the following:

(1) a statement that the person or firm making or giving such report has read the pertinent provisions of this Indenture to which such report relates;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based;

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said independent individual or firm to express an informed opinion with respect to the subject matter referred to in the report;

(4) the credentials of such firm or individual and their findings; and

(5) the findings and/or opinion of the consultant with respect to whether or not the earnings test, as set forth in Section 2.11 of this Indenture, for issuance of additional obligations secured by Pledged Revenues, is satisfied.

"Continuing Disclosure Agreement" shall mean any Continuing Disclosure Undertaking between the Issuer and the Trustee, in its capacity as dissemination agent and not as Trustee hereunder, dated the date of issuance and delivery of Bonds hereunder as originally executed and as may be amended from time to time in accordance with the terms hereof.

"**Costs of Construction**" shall be deemed to include payment of or reimbursement for the following items:

(1) obligations incurred or assumed for labor and materials in connection with the construction, acquisition, installation, repair, replacement, and improvement of the Project;

(2) the cost of performance and payment bonds and of insurance of all kinds that may be necessary or appropriate in connection with the construction or completion of the Project;

(3) the costs of engineering services, including, without limitation, obligations incurred or assumed for preliminary design and development work, surveys, estimates, plans and specifications;

(4) the cost of the administration of construction and completion of the Project incurred prior to the Completion Date, including supervision of construction as well as the performance of all of the other duties required by or consequent upon the construction, acquisition or installation of the Project; including, without limitation, costs of preparing and securing all Project Documents, legal fees and expenses, credit enhancement (bond insurance) fees and premium, independent inspection fees, engineering and auditing fees;

(5) costs incurred in connection with the Bonds, including the initial compensation and expenses of the Trustee prior to the Completion Date, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, if any, costs of publication, printing and engraving, and recording and filing fees;

(6) the purchase price of the Project to be paid under the terms of any Construction Contract;

(7) all other costs which are considered to be part of the costs of the Project in accordance with Generally Accepted Accounting Principles including, but not limited to, costs of issuance of the Bonds, underwriting discount, and interest during construction of the Project; and

(8) payments for redemption of Bonds or payments of principal of or interest on Bonds, at the Issuer's option, from any moneys remaining in the Project Fund subsequent to the Completion Date.

“**Council**” means the City Council of the City.

“**Counsel**” means an attorney at law or law firm (who may be counsel for the Issuer), satisfactory to the Trustee.

“**Debt Service**” means, as of any date of calculation and with respect to any period, the sum of all principal and interest components on all Outstanding 2024 Bonds issued hereunder due during such period.

“**Debt Service Reserve Fund**” means the fund so named and established in 3.6 hereof.

“**Debt Service Reserve Requirement**” means an amount equal to the Maximum Annual Debt Service Requirements hereunder, which may be in the form of cash or Permitted Investments or a Reserve Fund Credit Enhancement.

“**Debt Service Requirements**” for any period means the sum of (a) the amount required to pay the interest on Bonds issued hereunder payable from Pledged Revenues during such period; and (b) the amount required to pay the principal or redemption price of Bonds issued hereunder, payable from Pledged Revenues whether at stated maturity, upon mandatory redemption or upon the exercise of any option to redeem such obligations, and, if applicable, any amount of other income of the Airport not constituting Pledged Revenues irrevocably committed to paying such debt service, for the period such amounts are committed.

“**Defeasance Securities”** mean direct obligations of the United States of America, or other securities, the principal of and interest on which are unconditionally guaranteed by the United States of America, pursuant to Section 57-504, Idaho Code.

“**Deficiency Payments**” means the Concessionaire’s Deficiency Payments and Concessionaire’s Deficiency True-up, as each term is defined in the respective Non-Exclusive On-Airport Vehicle Rental Services Concession and Lease Agreement Boise Airport between the City and the respective rental car company concessionaires.

“**Depository**” means DTC and any successor.

“**Deposit Date**” means the first Business Day of each calendar month or such other day as designated in a Supplemental Indenture relating to the issuance of additional Bonds.

“**Designated Representative**” means the Authorized Officer at the time designated pursuant to a written certificate of the Issuer to act on behalf of the Issuer furnished to the Trustee, containing the specimen signature of that person and signed on behalf of the Issuer by a duly designated representative thereof.

“**Direct Participant**” means a “Participant” as defined in the Letter of Representations (as defined in Section 2.12 hereof).

"**DTC**" means The Depository Trust Company, New York, New York, and its successors and assigns.

"**Event of Default**" means any of the events described in Section 9.1 hereof.

"**Fiscal Year**" means the fiscal year of the Issuer commencing on October 1 and ending on September 30.

"**Fitch**" means Fitch Ratings, Inc. and its successors.

"**Government Obligations**" means direct obligations of the United States Government or obligations unconditionally guaranteed by the United States Government.

"**Indenture**" means this Trust Indenture, as amended or supplemented at the time in question.

"**Indirect Participant**" means a person utilizing the book entry system of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

"**Interest Payment Date**" means each March 1 and September 1, commencing September 1, 2024**,** with respect to the 2024 Bonds.

"**Issuer**" means the City of Boise City, duly organized, existing, and operating under the provisions of the laws of the State.

"**Maximum Annual Debt Service Requirements**" means the largest sum of the Debt Service on the Bonds issued hereunder (excluding any redemption premiums payable on any redemption date and excluding any obligations the principal of which is payable within less than one year from the date on which issued) to be paid during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the last Fiscal Year in which any such obligation becomes due at maturity or on a redemption date on which any such obligation is called for prior redemption, whichever time is earlier (but excluding any reserve requirement to secure such payments unless otherwise expressly provided).

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Net Proceeds**" when used with respect to any performance or payment bond proceeds, or proceeds from policies of insurance required hereby or any condemnation award, or any proceeds resulting from default under a Construction Contract or proceeds from any resale of the Project, means the amount remaining after deducting from the gross proceeds thereof all claims paid and all expenses (including, without limitation, reasonable attorney's fees and costs) incurred in the collection of such proceeds or award. For purposes of the Code, "net proceeds" is to be defined as provided therein and in a Tax Certificate delivered at Closing.

"**Original Purchaser**" means Raymond James & Co., with respect to the 2024 Bonds, and the purchaser(s) of additional Bonds issued hereunder.

"**Outstanding**," in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except:

A. Bonds theretofore cancelled or required to be cancelled under Section 2.9 hereof;

B. Bonds for the payment or redemption of which the necessary amount shall have been or shall concurrently be deposited with the Trustee or for which provision the payment of which shall have been made in accordance with Section 13.1 hereof; provided that, if such Bonds are being redeemed prior to maturity, the required notice of redemption shall have been given or provisions satisfactory to the Trustee shall have been made therefor; and

C. Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article 2 hereof.

In determining whether the Owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof, Bonds which are held by the Issuer or its designee shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

"**Parity Lien,**" "**parity lien**" or "**parity**" shall mean with respect to the 2024 Bonds and any additional obligations issued under Section 2.11 hereof, an equal lien on Pledged Revenues and equal access to such revenues by the Trustee and/or other representatives of the holders of such parity obligations in the event of default.

"**Participants**" means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as a securities depository.

"**Paying Agent**" means the Trustee and any successors permitted under this Indenture.

"**Permitted Investments**" means such investments as shall be legal investment for funds under Section 50-1013, Idaho Code, as then in effect.

"**Phase 2 CFC Facilities**" means the second phase of improvements to the CFC Facilities, including the development of quick turnaround ("QTA") facilities adjacent to the new rental car parking garage being constructed as part of the Project.

"**Pledged Revenues**" means the CFC Revenues and Deficiency Payments. Notwithstanding the foregoing, the Issuer may elect to pledge other receipts at any time as additional security for any one or more series of obligations. IN NO EVENT WILL ANY OF ISSUER'S GENERAL FUND REVENUES BE USED TO MAKE ANY DEBT SERVICE PAYMENTS OR ANY OTHER PAYMENTS DUE UNDER THIS INDENTURE.

"**Principal Payment Date**" means with respect to the Bonds, each September 1 commencing September 1, 2027, and with respect to any series of additional Bonds, such other dates as shall be specified in a Supplemental Indenture.

"**Project**" means, collectively, the construction, acquisition, and installation of a consolidated rental car center and related improvements at the Boise Air Terminal/Gowen Field, including a seven level parking garage with approximately 1,200 parking stalls, ready/return and staging areas, customer service areas, offices for rental car companies, and a covered walkway connecting the rental car facilities to the west-end of the air terminal at baggage claim, allowing passengers to retrieve their checked luggage from baggage then walk directly to the rental car facilities to check-in and rent vehicles, and any future project financed with the proceeds of additional Bonds issued under this Indenture.

"**Project Documents**" means the following (i) plans, drawings and specifications for the Project, when and as they are approved by the Issuer, including change orders, if any as provided in Section 4.1 of this Indenture; (ii) any necessary permits for construction, acquisition or installation of the Project; (iii) the Construction Contracts; (iv) policies of casualty, public liability and workmen's compensation insurance or other insurance, or certificates thereof, as required by this Indenture with respect to the construction or acquisition of the Project; (v) performance and payment bonds with respect to the Project; (vi) any bills of sale with respect to any equipment for the Project; (vii) the executed contract with the inspecting architect or with any other architect or engineer hired by the Issuer in connection with the preparation of plans, drawings and specifications for the Project; (viii) any and all other documents executed by or furnished to the Issuer in connection with the construction, acquisition or installation of the Project.

"**Project Fund"** means the fund so designated and established pursuant to Section 3.1 hereof.

"**Rating Agency**" means Moody's, S&P and Fitch or any other rating service then rating Bonds.

"**Record Date**" for the interest payable on the Bonds on any Interest Payment Date means the fifteenth (15th) day (whether or not a Business Day) of the calendar month immediately preceding the month in which such Interest Payment Date occurs.

"**Redemption Price**" means the outstanding principal amount of and any applicable premium on any Bond called for redemption.

"**Repair and Replacement Fund Requirement**" means an amount equal to $3,000,000 which will initially be funded in annual deposits aggregating $500,000 per Fiscal Year for the first six (6) Fiscal Years commencing after the earlier of the in-service date of the Phase 1 CFC Facilities or October 1, 2028. For clarity, the Repair and Replacement Fund Requirement does not apply prior to the earlier of October 1, 2028, or the in-service date of the Phase 1 Facilities.

"**Reserve Fund Credit Enhancement**" shall mean any insurance policy, surety bond, letter of credit or similar instrument which is issued by an insurance company or financial institution deposited in or credited to the Debt Service Reserve Fund, in lieu of or in partial substitution for moneys required to be on deposit therein; provided that the obligation of the Issuer to pay any amounts to any such insurance company or financial institution shall be subordinated indebtedness or indebtedness on a parity with the Bonds; provided that the amount of the obligation which is indebtedness on a parity with the Bonds shall not exceed that proportion which any amount drawn under such Reserve Fund Credit Enhancement is to the amount of Bonds secured by the Debt Service Reserve Fund remaining outstanding.

“**Series**” means a series of Bonds issued pursuant to this Indenture.

“**S&P**” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC and its successor.

“**Sinking Fund Installment**” means the amounts to be designated to be applied to the purchase or redemption of Bonds as designated in Section 7.1 hereof, if applicable.

“**State**” means the State of Idaho.

“**Subordinate Lien**,” “**subordinate lien**” or “**subordinate**” means with respect to obligations hereunder or with respect to prior or future obligations of Issuer issued for the CFC Facilities, an inferior lien on Pledged Revenues and inferior or subordinate access to such revenue by the Trustee and/or other representatives of the holders of such subordinate obligations in event of default.

“**Supplemental Indenture**” means any indenture supplemental to this Indenture entered into between the Issuer and the Trustee in accordance with Article XII hereof.

“Treasurer” means the Treasurer Ex-Officio of the City.

“**Trustee**” means Zions Bancorporation, National Association, and its successors in the trust created hereunder.

“**2024 Bonds**” means the principal amount of $86,025,000 Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable) issued by the Issuer under this Indenture.

The words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the form of Bond) refer to the entire Indenture.

Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent” or similar action hereunder by the Issuer shall, unless the form thereof is specifically provided, be in writing signed by the Mayor or Treasurer of the Issuer.

ARTICLE 2
THE 2024 BONDS

Section 2.1. Amounts and Terms. Except as provided in Section 2.6 hereof, the 2024 Bonds shall be limited to $86,025,000 in aggregate principal amount, and shall contain substantially the terms recited in the form of 2024 Bonds set forth in Article 14 hereof. All 2024 Bonds shall be issued in fully registered form, provided that principal or redemption price, and interest in respect thereof shall be payable from any legally available Pledged Revenues of the Issuer, as described in Section 2.10 hereof. The 2024 Bonds shall be issued in the denomination of $5,000 each or any integral multiple thereof.

The 2024 Bonds shall be dated as of June 4, 2024, shall be initially issued as fully registered bonds and the 2024 Bonds shall be numbered separately from R-1 upward.

(a) Serial and Term Bonds. The 2024 Bonds, consisting of serial and term bonds, shall mature on September 1 in the years and in the amounts and shall bear the rates of interest as set forth below:

Year (September 1)	Principal Amount	Interest Rate
2027	$1,350,000	5.200%
2028	1,420,000	5.166
2029	1,490,000	5.216
2030	1,570,000	5.342
2031	1,655,000	5.392
2032	1,745,000	5.376
2033	1,835,000	5.401
2034	1,935,000	5.476
2035	2,040,000	5.576
2036	2,155,000	5.676
2037	2,275,000	5.726
2044*	20,050,000	5.749
2049*	19,985,000	5.799
2054*	26,520,000	5.849

*Term Bonds, subject to Sinking Fund Installments.

(b) Interest. The principal of the 2024 Bonds is payable in lawful money of the United States of America to the Bond Owners whose names and addresses shall appear on the Bond Register maintained by the Trustee, upon presentation and surrender of the 2024 Bonds at the designated corporate trust operations agency office of the Trustee.

Payment of each installment of interest shall be made to the Bond Owner at his address appearing on the Bond Register on the Record Date, or at such other address as may be furnished in writing by such Bond Owner to the Trustee, shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, and shall be paid by check or draft of the Trustee dated the due date. Interest on the 2024 Bonds shall be payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2024.

Section 2.2. Interest Accrual. Bonds issued hereunder shall be dated and bear interest from the Interest Payment Date to which interest has been paid next preceding the date of authentication, unless the date of authentication (i) is an Interest Payment Date to which interest has been paid, in which event such fully registered Bonds shall be dated and bear interest from the date of authentication, or (ii) is prior to the first Interest Payment Date for the Bonds, in which event such Bonds shall be dated and bear interest from the date of original issuance.

Section 2.3. Registration, Transfer and Exchange. The Issuer shall cause books for the registration and transfer of the Bonds (including the Bond Register) to be kept at the corporate trust administration office of the Trustee and hereby appoints the Trustee its registrar and transfer agent to keep such books and to make such registrations and transfers under such reasonable regulations as the Issuer may prescribe in accordance with the Idaho Registered Public Obligations Act, Title 57, Chapter 9, Idaho Code, as amended.

Upon surrender for transfer of any Bond at the designated corporate trust operation agency office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of any authorized denomination for the aggregate principal amount which the Registered Owner is entitled to receive.

All fully registered Bonds presented for transfer, exchange, registration, redemption or payment (if so required by the Issuer or the Trustee), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Registered Owner or by his duly authorized attorney.

No service charge shall be made to the Bondowner for any exchange, transfer, registration or discharge from registration of Bonds, but the Issuer may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

The Issuer and the Trustee shall not be required (a) to issue, register, transfer or exchange any Bonds for a period of fifteen (15) days preceding any selection by lot of Bonds to be redeemed; or (b) to register, transfer or exchange any Bonds selected, called or being called for redemption.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.4. Execution. The Bonds shall be executed by the manual or facsimile signatures of the Mayor and the Treasurer of the Issuer, and attested to by the manual or facsimile signature of the Clerk of the Issuer, and the corporate seal of the Issuer shall be affixed, imprinted, lithographed or reproduced thereon.

Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee notwithstanding that any officer signing such Bonds attached thereto or whose facsimile signature appears thereon shall, after the date of authorization of the Bonds, have ceased to hold office at the time of issuance or authentication or shall have taken office after the date of issuance of the Bonds.

Section 2.5. Authentication. No Bond shall be valid for any purpose until the certificate of authentication shall have been duly executed by the manual signature of a duly Authorized Officer or authorized signatory of the Trustee, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the owner thereof is entitled to the benefit of the trust hereby created.

Section 2.6. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond shall become mutilated, the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, maturity and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of such mutilated Bond for cancellation, and the Issuer and the Trustee may require reasonable indemnity satisfactory to them therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership thereof and the loss, theft or destruction thereof shall be submitted to the Trustee; and if such evidence shall be satisfactory to both and indemnity satisfactory to the Trustee and Issuer shall be given, the Trustee shall authenticate and deliver, a new Bond of like tenor, maturity and denomination. The cost of providing any substitute Bond under the provisions of this section shall be borne by the Bondowner for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee, pay to the Owner the principal amount of such Bond upon the maturity thereof and the compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.6 shall constitute an additional contractual obligation of the Issuer, subject to the right to require indemnity set forth in the above paragraph, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude any and all other rights or remedies.

Section 2.7. Temporary Bonds. Pending preparation of definitive Bonds of any series, or by agreement with the purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds in denominations of $5,000 and integral multiples thereof of substantially the tenor recited above but in fully registered form. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 2.8. Delivery of 2024 Bonds and Application of Proceeds. The Trustee shall authenticate and deliver the 2024 Bonds on the closing date when there have been filed with it the following:

A. A certified copy of an ordinance or resolution of the Issuer authorizing (1) the execution and delivery of this Indenture, and (2) the issuance, sale, execution, and delivery of the 2024 Bonds;

B. An opinion or opinions of an attorney or firm of attorneys recognized on the subject of municipal bonds that the issuance of the 2024 Bonds has been duly authorized and that interest on the 2024 Bonds is exempt from State of Idaho income taxation; and

C. A direction and authorization of the Issuer to the Trustee to authenticate the 2024 Bonds and to deliver them to the person named in such direction upon payment by Original Purchaser to the Trustee for the account of the Issuer the purchase price for the 2024 Bonds of $85,637,152.89, consisting of the par amount of $86,025,000.00, less underwriter's discount of $387,847.11, with (i) $70,477,526.51 of such amount to be deposited into the Project Fund, of which $475,000.00 will be deposited into the Cost of Issuance Account within the Project Fund and used to pay costs of issuing the 2024 Bonds, (ii) $8,252,225.36 of such amount to be deposited into the Capitalized Interest Account within the Bond Fund to pay capitalized interest on the 2024 Bonds, (iii) $6,272,974.30 of such amount to be deposited into the Debt Service Reserve Fund to satisfy the Debt Service Reserve Requirement, and (iv) $634,426.72 of such amount representing the bond insurance premium due to Build America Mutual Assurance Company ("BAM") to be wired by the Original Purchaser of the 2024 Bonds on the Closing Date directly to BAM on behalf of the Issuer.

Section 2.9. Cancellation and Destruction of Surrendered Bonds. Bonds surrendered for payment or redemption, and Bonds purchased from any money held by the Trustee hereunder or surrendered to the Trustee by the Issuer for cancellation, shall be cancelled and destroyed by the Trustee in accordance with applicable law and regulations and the Trustee's policies and procedures. The Trustee shall deliver to the Issuer a certificate of destruction, in respect of all Bonds so destroyed.

Section 2.10. Pledge of Pledged Revenues and Limitation on Obligations. The Debt Service shall be payable solely out of the Pledged Revenues. The Pledged Revenues are hereby pledged to the payment in full of the 2024 Bonds and any obligations on a parity with the 2024 Bonds permitted under this Indenture. The Issuer has reserved the right to incur additional parity or subordinate obligations payable from Pledged Revenues under the terms set forth in Section

2.11 hereof. The lien of this pledge and security interest shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer (except as herein otherwise provided) irrespective of whether such parties have notice hereof. The Bondowners may not look to any other revenues of the Issuer for the payment of Debt Service on the Bonds issued hereunder. The Bonds do not constitute full faith and credit obligations of the Issuer. IT IS UNDERSTOOD THAT NONE OF ISSUER'S GENERAL FUND REVENUES IS PLEDGED, OR WILL BE USED, TO MAKE ANY PAYMENTS DUE UNDER THIS INDENTURE.

Section 2.11. Additional Obligations Secured by Pledged Revenues.

A. Obligations Secured by Pledged Revenues.

1. Earnings Test. This Indenture shall not prevent the issuance of additional Bonds payable from and constituting a lien upon Pledged Revenues on a parity with or subordinate to the lien of this Indenture, the 2024 Bonds and other parity obligations in order to provide for improvements to the CFC Facilities. Before any such additional parity Bonds (but not junior to the 2024 Bonds) are actually issued, it must be determined that:

(a) The Issuer is not, and has not been in default of this Indenture during the Fiscal Year immediately preceding the issuance of such additional Bonds, or if the Indenture has not been outstanding for a full fiscal year, then for the longest period of time the Indenture has been outstanding and the amount in the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Requirement, and Issuer has been in compliance with Section 8.14 hereof for at least the preceding 12 months;

(b) Either of the following: (i) a Consultant's Report, upon which the Trustee may conclusively rely, shows that Pledged Revenues projected for at least five (5) Fiscal Years following completion of the proposed project will be at least equal to 125% of the Aggregate Debt Service Requirements (excluding reserves) for the said period; or (ii) a written certificate by the Issuer that the Pledged Revenues derived from the operation of the CFC Facilities for any period of twelve (12) consecutive months during the twenty-four (24) months immediately preceding the date of the supplemental ordinance or other document authorizing the issuance of any such parity lien Bonds shall have been sufficient to pay an amount representing 125% of the Aggregate Debt Service Requirements on the outstanding obligations constituting a lien upon Pledged Revenues, and on the Bonds proposed to be issued (excluding reserves) for the said period.

In calculating the Pledged Revenues to meet the requirements in (b)(i) above, the Issuer may take into consideration changes in Pledged Revenues estimated to occur under one or more of the following conditions for each year after delivery thereof for so long as the 2024 Bonds, the additional Bonds and other parity obligations shall be Outstanding:

(1) Any increase or decrease in Pledged Revenues which would result from any change in rates or charges adopted prior to the issuance of the additional Bonds; and/or

(2) Any increase or decrease in Pledged Revenues estimated to result from any additions, betterments, and improvements to and extensions of any facilities of the CFC Facilities which (i) became fully operational during such twelve (12) month period; (ii) were under construction at the time of the issuance of the additional Bonds; or (iii) will be constructed from the proceeds of the additional Bonds proposed to be issued.

(c) Each such issue of additional Bonds shall be secured by a cash reserve fund or Reserve Fund Credit Enhancement in an amount sufficient to cause to be on deposit an amount equal to the Debt Service Reserve Requirement on the 2024 Bonds and any additional obligations.

2. Certification of Pledged Revenues. A written certificate by the Issuer that said Pledged Revenues are sufficient shall conclusively determine the right of the Issuer to issue additional parity Bonds, and the Trustee may rely conclusively upon such certificate. The Issuer may rely upon the Consultant's Report as provided in Section 2.11.A.1(b) above and may utilize the results of any annual audit to the extent it covers the applicable period.

3. Subordinate Obligations Permitted. The Issuer may issue other obligations having a lien on Pledged Revenues subordinate to the lien of the Indenture.

4. Senior Obligations Permitted. The Issuer shall not issue any bond or other obligation having a lien prior and superior to the lien of this Indenture except in the case of a refunding of the Bonds issued hereunder.

5. Refunding Obligations. The foregoing provisions are subject to the following exceptions:

(a) Privilege of Issuing Refunding Obligations. If at any time the Issuer shall find it desirable to refund any outstanding obligations or obligations constituting a lien upon Pledged Revenues, said obligations may be refunded upon compliance with the following provisions.

(b) Limitations Upon Issuance of Parity Refunding Obligations. No refunding bonds or obligations issued under this Indenture shall be on a parity with the obligations of this Indenture, unless:

(1) The lien of the refunding obligations on Pledged Revenues is on a parity with the lien of this Indenture, and

(2) The total Debt Service is reduced by the refunding as certified by the Issuer or if the Debt Service is not reduced the Issuer shall comply with the requirements under paragraphs 1 through 2 of Section 2.11.A above.

(c) Refunding Part of an Issue. The refunding obligations issued under this Indenture shall enjoy complete equality of lien with any portion of the same issue which is not refunded. The owners of such refunding bonds or obligations shall be subrogated to all of the rights and privileges enjoyed by the owners of the obligations of the same issue refunded thereby.

B. General Provisions for the Issuance of Additional Bonds.

Whenever the Issuer shall determine to issue additional Bonds under this Indenture, the Issuer shall adopt a supplemental indenture which:

1. Shall specify the authorized principal amount and series designation of such additional Bonds;

2. Shall specify the date and the maturity date or dates of the Bonds of such series, provided that (a) each maturity date shall fall upon an interest payment date and (b) all the Bonds of like maturity shall be identical in all respects, except as to denominations and number;

3. Shall specify the interest rate or rates of the Bonds of such series, or the manner of determining such rate or rates, and the interest payment dates therefor;

4. Shall specify the authorized denomination or denominations of the Bonds of such series;

5. Shall, subject to Article 7, specify the redemption terms, if any, for the Bonds of such series;

6. Shall specify the form of the Bonds of such series and of the Trustee's certificate of authentication; and

7. Shall require the Issuer to deposit from proceeds of the sale of the additional Bonds, or from other legally available sources, or provide for deposit of a Reserve Fund Credit Enhancement into the Debt Service Reserve Fund in an amount sufficient to cause to be on deposit in the Debt Service Reserve Fund a sum equal to the Debt Service Reserve Requirement.

C. Conditions of Issuance of Additional Bonds.

Prior to issuance of additional Bonds, the Issuer shall file with the Trustee the following documents:

1. A copy of the supplemental indenture authorizing the issuance of the additional Bonds.

2. A written certificate of the Issuer to the effect that, upon the delivery of the additional Bonds, the Issuer will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of this Indenture with respect to any Bonds Outstanding hereunder.

3. The reports and certificates required under Section 2.11.A hereunder, as applicable.

Section 2.12. Book-Entry System.

(a) The Bonds shall be initially executed and delivered in the form of a separate single certificated, fully registered Bond for each of the maturities set forth in Section 2.1 hereof. Upon initial issuance, the ownership of such Bond shall be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC. Except as provided in Section 2.12(d) hereof, all of the Outstanding Bonds shall be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC.

(b) With respect to Bonds registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than a Registered Owner, as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any Participant or any other person, of any amount with respect to principal of, premium, if any, or interest on the Bonds, (iv) any consent given or other action taken by DTC as Owner of the Bonds, or (v) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest evidenced by the Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Trustee, as provided in Section 2.1 hereof, or their respective attorneys duly authorized in writing, wire transfer or, if the Bonds are no longer held in immobilized form, check mailed on the applicable Interest Payment Date to the Owner as of close of business on the applicable Record Date, at his address as it appears on the registration books of the Trustee or at such other address as is furnished in writing by such Owner to the Trustee (provided, however, that the Trustee shall, at the request of any Owner of $1,000,000 or more in aggregate principal amount of Bonds, make payments of interest on such Bonds by wire transfer to the account at any bank in the United States designated by such Owner in writing on or before the Record Date), and the principal of the Bonds shall be payable in lawful money of the United States of America upon surrender thereof at the designated corporate trust operations agency office of the Trustee. All such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest evidenced by the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a certificated Bond evidencing the obligations of the Issuer to make Debt Service payments. 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, the word "Cede" in this Indenture shall refer to such new nominee of DTC.

(c) A Letter of Representations in standard form approved by DTC (the "Letter of Representations") is hereby authorized and such Letter of Representations shall be executed and delivered to DTC if a blanket Letter of Representations, acceptable to DTC, has not already been executed. The approval of the Issuer shall be conclusively established by its execution and delivery of the Letter of Representations which shall not in any way limit the provisions of Section 2.12(b) hereof or in any other way impose upon the Issuer or Trustee any obligations whatsoever with respect to persons having interests in the Bonds other than the Bondowners, as shown on the registration books kept by the Trustee.

(d) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer or the Trustee and discharging its responsibilities with respect thereto under applicable law.

(e) The Issuer in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if it determines that:

1. DTC is unable to discharge its responsibilities with respect to the Bonds, or

2. A continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede, or any other nominee of DTC, is not in the best interest of the Beneficial Owners of the Bonds.

(f) Upon the termination of the services of DTC with respect to the Bonds pursuant to Section 2.12(d) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to Section 2.12(d) or Section 2.12(e) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer, is willing and able to undertake such functions upon reasonable and customary terms, the Trustee is obligated to deliver Bonds at the expense of the Issuer, unless the

Beneficial Owners have requested the termination of the services of DTC and then at the expense of such Beneficial Owners, as described in this Indenture and the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede as nominee of DTC, but may be required in whatever name or names Owner transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

(g) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal or, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

ARTICLE 3
FUNDS AND ACCOUNTS

Section 3.1. Establishment of Funds. The Issuer hereby establishes and creates the following funds as further set forth herein:

(a) Project Fund and therein a Cost of Issuance Account;

(b) Revenue Fund;

(c) Bond Fund and therein a Capitalized Interest Account;

(d) Debt Service Reserve Fund;

(e) Deficiency Reserve Fund;

(f) Expense Fund;

(g) Repair and Replacement Fund; and

(h) Surplus Fund and therein a Coverage Account.

As applicable, the City and the Trustee may create such other accounts and subaccounts under this Indenture as shall be necessary or desirable to provide for the accounting and application of moneys in accordance with this Indenture.

Section 3.2. Project Fund.

There is hereby created a separate fund with the Issuer to be designated as the "**Project Fund**" and therein a separate account with the Trustee to be designated as the "**Cost of Issuance Account.**" The Project Fund shall be used for the payment of the Costs of Construction of the Project to be paid with proceeds from Bonds hereunder and the Cost of Issuance Account shall be use used for the payment of the costs of issuance of Bonds.

The amounts in the Project Fund, until applied for payment of Costs of Construction and costs of issuance of Bonds as hereinafter provided, shall be held for the security of all Bonds Outstanding hereunder.

The Issuer shall maintain records sufficient to permit calculation of the income on investments and interest earned, if any, on deposit of amounts held in the Project Fund and such income and interest shall become part of the Project Fund and may be expended as provided in this Section 3.3. Copies of such records shall be made available to the Trustee upon written request of the Issuer. Such income or interest earnings may be expended at any time or from time to time to pay Costs of Construction, including costs of issuance of Bonds, or pay principal of and interest on the Bonds in the same manner as the proceeds of Bonds deposited in the Project Fund are expended.

There shall also be retained in the Cost of Issuance Account interest and any other income received on investments of the Cost of Issuance Account. The Trustee shall keep and maintain adequate records pertaining to the Cost of Issuance Account and all payments therefrom, which shall be open to inspection by the Issuer or its duly authorized agents during normal business hours of the Trustee. Any amounts remaining on deposit in the Cost of Issuance Account on September 1, 2024, shall be transferred to the Project Fund and the Cost of Issuance Account shall be terminated.

The Trustee is hereby authorized and directed to issue its checks and/or wires on the Cost of Issuance Account for each payment in accordance with the written direction of an Authorized Officer of the Issuer.

Section 3.3. [Reserved.]

Section 3.4. Revenue Fund. There is hereby created a separate fund with the Trustee as a trust fund to be designated as the "Revenue Fund." From the Closing Date and so long as any Bonds remain outstanding, all Pledged Revenues, except for investment income on any Fund (which shall be credited and deposited as provided in Section 6.2), shall be deposited promptly in the Revenue Fund and applied in the following manner and order of priority:

First: Into the Bond Fund

On or before each Deposit Date, into the Bond Fund equal monthly deposits in an amount sufficient to pay the Debt Service on the Outstanding Bonds as it becomes due taking into account on the first monthly Deposit Date following an Interest Payment Date and/or Principal Payment Date any amount determined by the Trustee then on deposit in the Bond Fund to be available to pay interest and/or principal on the Outstanding Bonds on the next Interest Payment Date and/or Principal Payment Date; and

The deposits into the Bond Fund for all Bonds then outstanding shall be discontinued at such time as there shall be credited to the Bond Fund and the Debt Service Reserve Fund for that Series of Bonds an aggregate amount sufficient to retire (by call or otherwise) at or before maturity all of the Bonds of that series then outstanding and that amount so credited then shall be used solely for that purpose.

Second: Into the Debt Service Reserve Fund

On or before each Deposit Date, into the Debt Service Reserve Fund, the amounts (if any) necessary to restore the Debt Service Reserve Requirement, and provided that in any event any deficiency in the Debt Service Reserve Fund shall be restored within one year of its occurrence.

Third: Into the Expense Fund

On or before each Deposit Date, into the Expense Fund such amount that the Issuer determines by written direction from an Authorized Officer of the Issuer to the Trustee is reasonably necessary to be deposited therein to provide for the purposes of that Fund as described in Section 3.8.

Fourth: Into the Repair and Replacement Fund

On or before each Deposit Date, commencing the first Deposit Date following the effective date of the Repair and Replacement Fund Requirement, into the Repair and Replacement Fund equal monthly deposits in an amount sufficient to satisfy the Repair and Replacement Fund Requirement.

Fifth: Into the Deficiency Reserve Fund

On or before each Deposit Date, commencing the first Deposit Date following the in-service date of the Phase 2 CFC Facilities, as evidenced to the Trustee in writing by an Authorized Officer of the Issuer, into the Deficiency Reserve Fund equal monthly deposits in an amount sufficient to deposit twenty-five percent (25%) of the Maximum Annual Debt Service Requirements on the Bonds then Outstanding over twelve (12) respective Deposit Dates and once the Deficiency Reserve Fund is fully funded at an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirements, no further deposits shall be made into the Deficiency Reserve Fund unless an Authorized Officer of the Issuer directs the Trustee in writing to replenish the Deficiency Reserve Fund in such amount(s) desired and specified in writing by the Issuer.

Sixth: Into the Surplus Fund

On or before each Deposit Date, all remaining Pledged Revenues into the Surplus Fund.

Section 3.5. Bond Fund.

A. There is hereby created a separate fund with the Trustee as a trust fund to be designated as the "**Bond Fund**" and therein a separate account to be designated as the “**Capitalized Interest Account**,” each of which the Trustee shall make available to the Issuer’s paying agent or agents to pay the principal, Sinking Fund Installments or Redemption Price of Bonds, as applicable, as they mature or become subject to redemption, upon surrender thereof, and the interest on Bonds as it becomes payable. When Bonds are redeemed or purchased, the amount, if any, deposited by the Issuer for the payment of the Redemption Price and interest, shall be deposited in the Bond Fund and earnings thereon shall be applied to the payment of the Redemption Price and accrued interest in connection with such redemption or purchase.

B. In the event that on any Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal of or interest on the Bonds due on such Interest Payment Date, the Trustee shall first apply monies in the Bond Fund to the payment of interest then due on the Bonds and next to the payment of principal amounts then due on the Bonds.

C. With respect to the Series 2024 Bonds, there shall be deposited into the Capitalized Interest Account $8,252,225.36 to be applied to accrued interest solely on the Series 2024 Bonds.

The Issuer hereby covenants and agrees that as long as any Bonds issued hereunder remain Outstanding it will deposit, or, pursuant to Section 5.1 hereof, cause to be deposited by the Trustee, in the Bond Fund and accounts therein on or before three (3) Business Days prior to the payment dates, sufficient sums from Pledged Revenues, to pay the principal or Redemption Price of, and interest on the Bonds as the same become due and payable. Nothing herein contained shall be construed as requiring the Issuer to use any funds or revenues from any source other than Pledged Revenues. In addition, any amounts received by the Issuer at issuance and delivery of the Bonds, representing accrued interest, shall be deposited into the Bond Fund.

Section 3.6. Debt Service Reserve Fund.

A. There is hereby created a separate fund with the Trustee as a trust fund to be designated as the “**Debt Service Reserve Fund**.” Any money or Reserve Fund Credit Enhancement held in the Debt Service Reserve Fund shall be held in trust for the payment, when due, of the Debt Service on the Bonds to be paid pursuant to the Indenture, and shall be used and applied only as hereinafter provided. The Debt Service Reserve Fund shall be initially funded with Bond proceeds. If three (3) Business Days prior to any Bond payment date the moneys on hand in the Bond Fund are not sufficient to pay the Debt Service on the Bonds then due and unpaid, the Trustee shall use such moneys, if any, in the Debt Service Reserve Fund, or shall make demand on the Reserve Fund Credit Enhancement in accordance with the provisions thereof, if applicable, and shall make such payment on behalf of the Issuer by transferring the amount necessary for this purpose to the Bond Fund.

B. In the event any amount of funds in the Debt Service Reserve Fund are paid out as provided hereunder, there shall be deposited into the Debt Service Reserve Fund, as and when received all moneys transferred from the Revenue Fund to the Debt Service Reserve Fund pursuant to Section 3.4 hereof, and all other moneys received by the Trustee when accompanied by written directions from an Authorized Officer of the Issuer not inconsistent with this Indenture that such moneys are to be paid into the Debt Service Reserve Fund or the Issuer shall cause the applicable Reserve Fund Credit Enhancement to be reinstated and maintained in accordance therewith in order to maintain the Debt Service Reserve Fund at the Debt Service Reserve Requirement.

C. All investments, if any, in the Debt Service Reserve Fund shall be valued at cost if maturity is less than one (1) year and shall be valued at the lower of cost or market value marked to market semiannually if maturity is greater than one (1) year. No investments in the Debt Service Reserve Fund shall have maturities of more than five (5) years unless the investment is in the form of an investment agreement, in which case the maturity of the investment may be no greater than the final maturity of any Bonds Outstanding at the time of the investment. Upon payment in full, or defeasance of, all Outstanding Debt Service, the balance, if any, in the Debt Service Reserve Fund shall be transferred to the Bond Fund or at the option of the Issuer, such amount shall be paid to the Issuer. If the funds or the applicable Reserve Fund Credit Enhancement deposited to the Reserve Fund as of 30 days prior to a payment date exceed the Debt Service Reserve Requirement, the amount of such excess shall be transferred to the Bond Fund or, so long as a Reserve Fund Credit Enhancement is in effect, the coverage amount of the Reserve Fund Credit Enhancement may be reduced by the amount of such excess. Funds, if any, in the Debt Service Reserve Fund may be used to make the applicable final payment of Debt Service.

Section 3.7. Deficiency Reserve Fund. There is hereby created a separate fund with the Trustee as a trust fund to be designated as the "**Deficiency Reserve Fund**." There shall be deposited into the Deficiency Reserve Fund, as and when received all moneys transferred from the Revenue Fund to the Deficiency Reserve Fund pursuant to Section 3.4 hereof, and all other moneys received by the Trustee when accompanied by written directions from an Authorized Officer of the Issuer not inconsistent with this Indenture that such moneys are to be paid into the Deficiency Reserve Fund. Moneys in the Deficiency Reserve Fund shall be held for the security of all Bonds Outstanding hereunder and paid to the Bond Fund, to the extent necessary from time to time, to permit the payment of all obligations payable from the Bond Fund without drawing on the Debt Service Reserve Fund. If funds in the Deficiency Reserve Fund are fully drawn, the Deficiency Reserve Fund may be replenished by the Issuer pursuant to Section 3.4 at the written direction of an Authorized Officer of the Issuer to the Trustee. Funds held in the Deficiency Reserve Fund in excess of twenty-five percent (25%) of the Maximum Annual Debt Service Requirements may be used by the Issuer for any other ConRac related lawful purpose at the written direction from an Authorized Officer the Issuer to the Trustee.

Section 3.8. Expense Fund. There is hereby created a separate fund with the Trustee as a trust fund to be designated as the "**Expense Fund**." There shall be deposited into the Expense Fund, as and when received all moneys transferred from the Revenue Fund to the Expense Fund pursuant to Section 3.4 hereof, and all other moneys received by the Trustee when accompanied by written directions from an Authorized Officer of the Issuer not inconsistent with this Indenture that such moneys are to be paid into the Expense Fund. Moneys in the Expense Fund shall be used for fees and expenses of the Trustee, costs of CFC administration, costs of CFC Facilities property insurance, or payments of rebate amounts to the United States, if applicable, or, with moneys in the Bond Fund, the Debt Service Reserve Fund, and the Deficiency Reserve Fund, and other moneys made available by the Issuer to retire by purchase for cancellation or by call for redemption, all or part of the Bonds from time to time outstanding. Otherwise, moneys in the Expense Fund may at the written direction of an Authorized Officer the Issuer be paid to the Bond Fund, to the extent necessary from time to time, after applying to that purpose any moneys then in the Deficiency Reserve Fund, to permit the payment of all obligations payable from the Bond Fund without drawing on the Debt Service Reserve Fund.

Section 3.9. Repair and Replacement Fund. There is hereby created a separate fund with the Issuer to be designated as the "**Repair and Replacement Fund**." There shall be deposited into the Repair and Replacement Fund as and when received all moneys transferred from the Revenue Fund to the Repair and Replacement Fund pursuant to Section 3.4 hereof and the written instructions of an Authorized Officer the Issuer to the Trustee, and all other moneys received by the Trustee when accompanied by written directions from an Authorized Officer of the Issuer not inconsistent with this Indenture that such moneys are to be paid into the Repair and Replacement Fund. There shall also be retained in the Repair and Replacement Fund, interest and other income received on investment of moneys in the Repair and Replacement Fund to the extent provided in Section 6.2 hereof. Any amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement may be transferred by the Issuer to the Trustee as provided by the written direction of an Authorized Officer the Issuer to the Trustee for deposit into the Bond Fund to be applied to the payment of the interest on the Bonds; provided, however, that the amount remaining in the Repair and Replacement Fund immediately after such transfer shall not be less than the Repair and Replacement Fund Requirement.

The Repair and Replacement Fund shall be in the custody of the Issuer and, absent an Event of Default hereunder, the Issuer is hereby authorized to make disbursements from the Repair and Replacement Fund for the purpose of paying the cost of maintenance and replacements which may be required to keep the CFC Facilities in sound condition. The Issuer shall keep and maintain adequate records pertaining to the Repair and Replacement Fund and all disbursements therefrom and shall not less than annually file an accounting thereof with the Trustee.

Within five (5) Business Days of any payments from the Repair and Replacement Fund, the Issuer shall give written notice to the Trustee of such payments and of the amount of the deficiency, if any, of amounts then on deposit in the Repair and Replacement Fund as of such date and the Issuer shall then deposit an amount equal to such deficiency within five (5) Business Days of such notice into the Repair and Replacement Fund and confirm the same to the Trustee.

Section 3.10. Surplus Fund. There is hereby created a separate fund to be held by the Issuer to be designated as the "**Surplus Fund**" and therein a separate account to be held by the Issuer to be designated as the "**Coverage Account**."

A. There shall be deposited into the Surplus Fund, as and when received all moneys transferred from the Revenue Fund to the Surplus Fund pursuant to Section 3.4 hereof and as provided by the written direction of an Authorized Officer the Issuer to the Trustee. Moneys in the Surplus Fund shall be used for (i) Costs of Construction of the Project and the Phase 2 CFC Facilities and (ii) any other ConRac related lawful purpose, including the payment of Debt Service on the Bonds.

B. Upon the balance of funds on deposit in the Capitalized Interest Account within the Bond Fund being fully drawn, the Issuer hereby covenants to fund the Coverage Account within the Surplus Fund in an amount sufficient to deposit twenty-five percent (25%) of the Maximum Annual Debt Service Requirements on the Bonds then Outstanding in equal amounts over twelve (12) months.

C. On the in-service date of the Phase 2 CFC Facilities, the balance of funds within the Coverage Account shall be transferred by the Issuer to the Trustee and deposited by the Trustee into the Deficiency Reserve Fund.

ARTICLE 4
CONSTRUCTION, INSTALLATION AND ACQUISITION OF THE PROJECT

Section 4.1. Agreement to Construct, Install and Acquire the Project. The Issuer hereby agrees that it will make all contracts and do all things necessary for the construction, acquisition and installation of the Project.

(a) The Issuer shall cause the Project to be constructed, acquired and installed.

(b) The Issuer hereby agrees that in order to effectuate the purposes of this Indenture it will make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms, or corporations and in general do all things which may be requisite or proper, all for the construction, acquisition and installation of the Project. Construction, acquisition and installation of the Project shall be in accordance with the Project Documents and subject to reasonable change orders or any other reasonable changes approved by the Issuer, provided that such changes shall not reduce the value of the Project as determined by Issuer. Notwithstanding the foregoing, no improvements, acquisitions or changes shall be made unless provision for payment therefor has been made. Issuer acknowledges and agrees that the Project is of a design and construction selected by Issuer, and Trustee is not responsible for the design or construction of the Project.

(c) So long as this Indenture is in full force and effect and no Event of Default shall have occurred, or if an Event of Default has occurred but has been cured, the Issuer shall have full power to carry out the acts and agreements provided in this Section 4.1, and such power is granted and conferred under this Indenture to the Issuer, and is accepted by the Issuer and shall not be terminated or restricted by act of the Trustee or the Issuer, except as provided in this Section 4.1.

(d) The Issuer agrees to construct, acquire and install the Project through the application of moneys to be disbursed from the Project Fund pursuant to Section 3.3 of this Indenture by the Trustee upon the authorization of the Issuer. The Issuer agrees to complete all new construction, acquisition and installation with all reasonable dispatch, and to use its best efforts to cause the Project to be acquired and completed in March 2026, or as soon thereafter as may be practicable; but, if for any reason the Project is not completed by said date, there shall be no resulting liability on the part of the Issuer or Event of Default hereunder, and there shall be no diminution in or postponement of the Debt Service Requirements required to be made by the Issuer under this Indenture.

Section 4.2. Completion of Construction. Upon the completion of the Project and the acceptance thereof by the Issuer, the Issuer shall deliver to the Trustee a certificate duly executed by the Treasurer of the Issuer, determining that, to the best of such individual's knowledge and except for any amounts estimated by the Issuer to be necessary for payment of any Costs of Construction not then due and payable, the Project has been completed and accepted by the Issuer, and all Costs of Construction have been paid. Notwithstanding the foregoing, such certificate shall not, and shall state that it does not, prejudice any rights against third parties other than the Trustee which exist at the date of adoption of such certificate or which may subsequently come into being.

Section 4.3. Construction Contracts. The Issuer represents that, in the opinion of the Issuer based upon an examination of property and estimated construction, acquisition and installation costs provided by the architect or engineer for the Project, the Project can, to the best of the Issuer’s present knowledge, be constructed, acquired and installed for a total price within the amount of funds to be available therefor in the Project Fund. In the event of cost overruns, the Issuer shall pay such additional costs from available revenues of the Airport. Upon the occurrence of an Event of Default or otherwise upon termination of the Issuer’s right to control construction of the Project as provided in the last sentence of Section 4.1 of this Indenture, the Trustee may (but shall have no obligation to), on behalf of the Owners, complete the Project, utilizing any moneys remaining in the Project Fund. All Construction Contracts shall provide that the Issuer is entering into the Construction Contracts on behalf of the Trustee and that, upon the occurrence of an Event of Default, or upon the Trustee's assuming control over construction of the Project as provided in Section 4.1 of this Indenture: (i) such Construction Contracts shall be fully and freely assignable to the Trustee without the consent of any other person and the Trustee may choose to assume or not assume such Construction Contracts; and (ii) if the Trustee does so assume such Construction Contracts, the contractor shall perform the agreements contained therein for the Trustee. All Construction Contracts shall also provide that, upon an Event of Default, and upon written notice from the Trustee, the Trustee may terminate such Construction Contracts; and the contractor shall then be entitled to payment only from amounts available therefor in the Project Fund and only for work done and liabilities reasonably incurred prior to such termination. All Construction Contracts shall further provide that the Trustee is not obligated to, and shall not, utilize any of its own funds, or any funds other than the proceeds of the Bonds and earnings thereon to pay any part of the Costs of Construction. Such provision shall not restrict the contractor's right to recover any sum remaining due on such contract from the Issuer, notwithstanding the amount of money in the Project Fund. Upon the occurrence of an Event of Default the following may occur: (i) the Trustee may terminate the Issuer's involvement in the Construction Contracts; and (ii) upon receipt of a written request from the Trustee, the Issuer shall assign all of its right, title and interest in and to all Construction Contracts and other Project Documents to the Trustee and shall deliver all Project Documents held by it to the Trustee.

Section 4.4. Project Documents. The Issuer shall have and keep on file and available for inspection by the Trustee copies of the Project Documents (except Project Documents which may already be in the possession of the Trustee). Neither the Project Documents nor any change or amendment thereto shall (i) cause the Project to be used for any purpose prohibited hereby or by the Constitution and laws of the State; (ii) result in a reduction in the value or utility of the Project; or (iii) adversely affect the ability of the Issuer to meet its obligations hereunder.

Section 4.5. Defaults Under Construction Contracts. In the event of any default by a contractor or subcontractor under any of the Construction Contracts, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the Issuer at its expense shall promptly proceed, either separately or in conjunction with others, to diligently pursue its remedies against such contractor or subcontractor and/or against each surety of any bond securing the performance of the Construction Contracts. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, remaining after deduction of expenses incurred in such recovery (including without limitation, attorney's fees and costs), and after reimbursement to the Issuer of any amounts theretofore paid by the Issuer and not previously reimbursed to the Issuer for correcting or remedying the default or breach of warranty which gave rise to the proceedings against the contractor or surety, shall be paid into the Project Fund and spent in accordance with Section 3.4 hereof if received before the Completion Date, or if received thereafter, shall be deposited to the Bond Fund.

Section 4.6. Contractor's Performance and Payment Bonds. A general contractor entering into a Construction Contract shall be required to furnish a performance bond and a separate labor and material payment bond on forms acceptable to the Issuer acting on behalf of the Trustee, copies of which shall be provided to the Trustee. Such bonds shall be made payable to the Issuer and the Trustee as trustee for the Owners, as their interests may appear, and shall be executed by a corporate surety licensed to transact business in the State and acceptable to the Issuer acting on behalf of the Trustee, and shall be in an amount equal to the contract price for such contractor's Construction Contract and shall cover all performance and payment by the general contractor and by all subcontractors performing any work on the Project. If, at any time during the construction of the Project, the surety on such bond shall be disqualified from doing business within the State, an alternate surety acceptable to the Issuer acting on behalf of the Trustee shall be selected. In the event of any change order resulting in the performance of additional work in connection with the

Project, the amounts of such bonds shall be increased by the cost of such additional work or materials or fixtures to be incorporated in the Project.

Section 4.7. Contractor's General Public Liability and Property Damage Insurance. The Issuer shall procure and maintain, or the general contractor entering into a Construction Contract shall be required to procure and maintain standard form comprehensive general public liability and property damage insurance, at his own cost and expense, during the duration of such contractor's Construction Contract, in an amount which is reasonable and customary in the trade and covering all actions of such general contractor and all subcontractors with respect to their work on any part of the Project. Such policies shall include the Issuer and the Trustee as additional named insureds and the Trustee as loss payee, and shall include a provision prohibiting cancellation or termination without forty-five (45) days prior notice by certified mail to the Issuer and the Trustee. A certificate of insurance in form acceptable to the Issuer acting on behalf of the Trustee shall be provided to the Issuer and the Trustee with respect to the general contractor showing the above coverage. Such insurance shall provide protection from all claims for bodily injury, including death, property damage, and contractual liability.

Section 4.8. Contractor's Workmen's Compensation Insurance. The Issuer shall procure and maintain, or each contractor and subcontractor entering into a Construction Contract shall be required to procure and maintain, at his own cost and expense, worker's compensation insurance during the term of his Construction Contract, covering his employees working thereunder. Such insurance shall contain a provision that such coverage shall not be cancelled without forty-five (45) days prior written notice to the Issuer. A certificate issued evidencing such coverage shall be provided to the Issuer with respect to each contractor and subcontractor entering into a Construction Contract. Each Construction Contract shall also provide that each subcontractor of any contractor or subcontractor who is a party to such Construction Contract shall be required to furnish similar worker's compensation insurance.

Section 4.9. Proceeds of Certain Insurance Policies and Performance Bonds. The Net Proceeds of any performance or payment bond or insurance policy required by Section 4.6 and Section 4.7 of this Indenture, and any Net Proceeds received as a consequence of default under a Construction Contract as provided by Section 4.5 of this Indenture, shall be paid into the Project Fund if received before the Completion Date, or, if received thereafter, shall be deposited to the Bond Fund.

ARTICLE 5
PLEDGED REVENUES AND APPLICATION THEREOF

Section 5.1. Pledged Revenues to be Paid Over to Trustee.

A. On or before each Deposit Date (i) the Issuer shall transfer to Trustee for deposit to the Revenue Fund all Pledged Revenues required to fund the deposits into the respective funds and accounts held by the Trustee pursuant to and in the amounts set forth in Article 3 hereof, and (ii) the Issuer shall deposit all Pledged Revenues required to fund the deposits into the respective funds and accounts held by the Issuer pursuant to and in the amounts set forth in Article 3 hereof.

B. The Trustee shall provide to the Issuer (i) at least semiannually, statements of money received and held by the Trustee from the Issuer as Pledged Revenues; (ii) statements or copies of records of each disbursement to Bondowners by the Trustee of principal or Redemption Price of or interest on the Bonds within two (2) weeks after the last day of the month in which each such payment occurs; and (iii) within two (2) weeks after the end of the Bond Year, a statement of the principal balance of Outstanding Bonds as of the end of such Bond Year.

Section 5.2. Pledged Revenues to Be Held for All Bondowners; Certain Exceptions. Any Pledged Revenues held by the Trustee and the Issuer and investments thereof shall, until applied as provided in this Indenture, be held by the Trustee and the Issuer for the benefit of the Owners of all Outstanding Bonds, and on a parity with any additional obligations permitted under Section 2.11 hereof, except that any portion of the Pledged Revenues representing principal or Redemption Price of, and interest on, any Bonds previously called for redemption in accordance with Article 7 of this Indenture, shall be held for the benefit of the owners of such Bonds only.

ARTICLE 6
SECURITY FOR AND INVESTMENT OF FUNDS

Section 6.1. Deposits and Security Therefor. All money received by the Trustee under this Indenture shall, except as hereinafter provided, be deposited with the Trustee, until or unless invested or deposited as provided in this Section 6.1. All deposits with the Trustee as trust funds (whether original deposits under this Section 6.1 or deposits in time accounts under Section 6.2) shall be held by it as required by applicable law for such trust deposits. The Trustee may deposit such money with any other depository which is authorized to receive them and is subject to supervision by public authorities. All deposits in any other depository shall be deposited with a bank or trust company having a combined capital and surplus of not less than $100,000,000.

Section 6.2. Investment or Deposit of Funds. The Trustee shall, at the written request and direction of the Issuer, invest money held in the Funds established under this Indenture in Permitted Investments which shall mature, as determined by the Issuer, not later than the date when the amounts will foreseeably be needed for purposes of this Indenture. Debt Service Reserve Fund investments shall also be governed by Section 3.6 hereof. The investments permitted hereunder shall be Permitted Investments.

Any such written direction (investment instruction) shall state that, in the opinion of the Issuer, the investment of money requested hereunder is a Permitted Investment. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Permitted Investment, remains a Permitted Investment thereafter, absent receipt of written notice or information from the Issuer to the contrary.

The Trustee shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Section 6.2.

The Trustee may make any and all investments permitted by the provisions of this Section 6.2 through its own investment department or that of its affiliates.

The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of paper confirmations to the extent permitted by law provided the Trustee retains an electronic confirmation. The Trustee will furnish the Issuer periodic cash transaction statements that include the detail for all investment transactions made by the Trustee hereunder.

If the Issuer shall not give current written directions, or oral directions confirmed in writing, as to investments of monies held in the Funds established hereunder, the Trustee shall invest any available monies held in the Funds established hereunder, as to which it does not have current instructions, in Permitted Investments selected by the Issuer in a written direction of the Issuer delivered to the Trustee at the issuance of the Bonds. If the Trustee has been informed that, or has learned that, an Event of Default has occurred and is continuing, the Trustee may invest any available monies held in the Funds established hereunder in short term (less than one (1) year) Permitted Investments.

The securities purchased with the money in the Funds established hereunder shall be deemed part of such respective fund and, for the purpose of determining the amount of money in such fund (until transferred from such fund pursuant to this Indenture), the securities therein shall be valued at their cost or market value, whichever is lower. The proceeds of any such investment (including interest or realized discount) shall be deposited to the fund of which such securities are a part.

The Trustee may, and to the extent required for payments from the Funds established hereunder, or accounts therein shall sell, without prior notice to the Issuer, any such obligation at any time, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the appropriate account in such fund in which such obligations were held.

Subject to the requirements of Section 3.6.C hereof, the interest and income received upon such investments of the Funds established hereunder, and any profit or loss resulting from the sale of any investment shall be added or charged to such fund. In the case of all other Pledged Revenues held in the Bond Fund such interest or income received or paid or excess amounts transferred to the Bond Fund from the Project Fund, shall be held in the Bond Fund with a corresponding credit against the Issuer's obligation to make payments of Pledged Revenues hereunder.

ARTICLE 7
REDEMPTION OF BONDS

Section 7.1. Bonds Subject to Redemption; Selection of Bonds to be Called for Redemption.

(a) Optional Redemption. The 2024 Bonds maturing on or before September 1, 2033, shall not be subject to call for optional redemption prior to their stated dates of maturity. On any date on or after September 1, 2034, at the election of the Issuer, the 2024 Bonds maturing on and after September 1, 2034, shall be subject to optional redemption, in whole or in part, in maturities as selected by the Issuer, upon notice as hereinafter provided, at par, plus accrued interest to the redemption date.

(b) Prior to the first optional redemption date, the Series 2024 Bonds are subject to optional redemption prior to maturity, at the election of the Issuer, in whole or in part, with Series 2024 Bonds selected for redemption based on a Pro Rata Pass-Through Distributions of Principal, subject to the provisions described below under "Selection for Redemption," on any Business Day, in such order of maturity as directed by the Issuer, at the Make-Whole Redemption Price. The Issuer shall retain an independent accounting firm or an independent financial advisor to determine the Make-Whole Redemption Price, perform all actions, and make all calculations required to determine the Make-Whole Redemption Price. The Trustee and the Issuer may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and its determination of, the Make-Whole Redemption Price, and neither the Trustee nor the Issuer will have any liability for their reliance. The determination of the Make-Whole Redemption Price by such accounting firm or financial advisor shall be conclusive and binding on the Trustee, the Issuer, and the holders of the Series 2024 Bonds.

"Business Day" means any day other than (A) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city or cities in which the Principal Office for Payment of the Trustee is located are authorized by law or executive order to close or (B) a day on which the New York Stock Exchange is closed.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by a Designated Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Series 2024 Bonds to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Series 2024 Bonds.

"Comparable Treasury Price" means, with respect to any redemption date, the average of the Primary Treasury Dealer Quotations for such redemption date or, if the Designated Investment Banker obtains only one Primary Treasury Dealer Quotation, such Primary Treasury Dealer Quotation.

"Designated Investment Banker" means a Primary Treasury Dealer appointed by the Board.

"Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of a Series 2024 Bond to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest (treating any principal scheduled to be paid after the first call date as if it were scheduled to mature on the First optional redemption date) of the Series 2024 Bond to be redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2024 Bond is to be redeemed), discounted to the date on which such Bond is to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the adjusted Treasury Rate plus fifteen (15) basis points, plus, in each case, accrued and unpaid interest on such Series 2024 Bond to, but excluding, the redemption date.

"Primary Treasury Dealer" means one or more entities appointed by the Board, which, in each case, is a primary U.S. Government securities dealer in The City of New York, New York, and its successors.

"Primary Treasury Dealer Quotations" means, with respect to each Primary Treasury Dealer and any redemption date, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Primary Treasury Dealer at 3:30 p.m. New York time on the third Business Day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

(c) Mandatory Redemption – 2024 Bonds. The 2024 Bonds with the maturity date of September 1, 2044, 2049, and 2054, are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2038	$2,410,000
2039	2,545,000
2040	2,690,000
2041	2,845,000

2042	3,010,000
2043	3,185,000
2044*	3,365,000

*Final maturity

Redemption Date September 1	Principal Amount
2045	$3,560,000
2046	3,765,000
2047	3,985,000
2048	4,215,000
2049*	4,460,000

*Final maturity

Redemption Date September 1	Principal Amount
2050	$4,720,000
2051	4,995,000
2052	5,285,000
2053	5,595,000
2054*	5,925,000

*Final maturity

(d) Upon notice from the Issuer, the Trustee may determine the Record Date and shall give at least thirty (30) days and not more than sixty (60) days' notice of redemption, substantially in the form set forth in Section 7.1(e) below, of a proportionate amount of the Outstanding Bonds to the Original Purchaser and to the affected Bondowners at their addresses listed on the Bond Register by first class mail or such other method as may be customary for obligations such as the Bonds. Any notice mailed shall be conclusively presumed to have been duly given whether or not the Bondowner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to redemption, and failure so to receive any such notice by any of such Bondowners, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond. The obligation of the Trustee to give any notice required by this Section 7.1 shall not be conditioned upon the prior payment to the Trustee of moneys sufficient to pay the redemption price of the Bonds or portions thereof to which such notice relates or the interest thereon to the redemption date. Upon receipt of the funds from the Issuer, the Trustee shall immediately apply the proceeds thereof to such redemption of the Bonds. In the event such prepayment is not received by the Trustee, Trustee shall so notify the Bondowners by first class mail.

(e) All official notices of redemption shall be dated and shall state:

1. the redemption date;

2. the redemption price;

3. if less than all Outstanding Bonds are to be redeemed, the identification (and, the respective principal amounts) of the Bonds to be redeemed;

4. that on the redemption date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

5. the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the operations agency office of the Trustee or any office designated by the Trustee; and

6. that the proposed redemption is conditioned on there being on deposit in the Bond Fund on the redemption date sufficient money to pay the full Redemption Price of the Bonds to be redeemed.

In addition to the foregoing notice, further notice shall contain the information and shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is mailed as prescribed in (e) above.

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

Each further notice of redemption shall be sent at least thirty (30) days before the redemption date by certified mail, overnight delivery service or electronic means to the Electronic Municipal Market Access System ("EMMA") of the Municipal Securities Rule Making Board as provided for by the Securities and Exchange Commission and located at www.emma.mrsb.org.

(f) Upon the payment of the Redemption Price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(g) Notice having been given to the extent required above, the Bonds to be redeemed shall become due and payable on said date of redemption at par plus Redemption Price, if applicable, plus any unpaid and accrued interest to said date of redemption and on such date, if monies are held therefor by the Trustee, interest shall cease to accrue on the Bonds to be redeemed. All monies so held by the Trustee shall be held for the account of the Bondowners of the Bonds to be redeemed, and if not so redeemed, shall be paid over as required by Title 14, Chapter 5, Idaho Code, as amended, with investment earnings, if any, thereon.

(h) If less than all the Bonds of like series and maturity are to be redeemed, the particular Bonds or the respective portions thereof to be redeemed shall be selected by DTC pursuant to its rules or procedures or, if the book-entry system is discontinued, by lot in such manner as the Trustee in its discretion may deem fair and appropriate. The portion of any Bond of a denomination of larger than the minimum denomination of $5,000 principal amount may be redeemed in the principal amount of such minimum denomination or a multiple thereof, and for purposes of selection and redemption, any such Bond of a denomination larger than the minimum denomination shall be considered to be that number of separate Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bond by such minimum denomination. If there shall be selected for redemption less than all of a Bond, the Trustee shall execute, authenticate and deliver, upon the surrender of such Bond without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like series, maturity and interest rate in any of the authorized denominations.

(i) Upon any purchase or redemption of Bonds of any series and maturity for which Sinking Fund Installments shall have been established pursuant to this Indenture (other than by application of Sinking Fund Installments), an amount equal to the aggregate principal amount of Bonds so purchased or redeemed shall be credited towards a part or all of any one or more of such Sinking Fund Installments for such term Bonds so purchased next becoming due at least thirty (30) days subsequent to the date of purchase. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

(j) Any Bond which is to be redeemed only in part shall be surrendered at a place stated for the surrender of Bonds called for redemption in the notice provided for herein (with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the owner thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Trustee shall authenticate and deliver to the Bond Owner of such Bond without service charge, a new Bond or Bonds, of any authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered, provided further that, if less than all of an Outstanding Bond of one maturity in a book entry system is to be called for redemption, the Trustee shall give notice to the Depository or the nominee of the Depository that is the Owner of such Bond, and the selection of the beneficial interests in that Bond to be redeemed shall be at the sole discretion of the Depository and its participants.

(k) Prior to the mailing by the Trustee of a notice of redemption of Bonds under Section 6.1 hereof, the Issuer may direct the Trustee in writing to purchase, and upon receipt of any request by Issuer to such effect, the Trustee shall purchase such Bonds, at a price not to exceed the principal amount thereof plus accrued interest thereon, for cancellation in lieu of redemption; provided, however, that the Trustee shall not be obligated to honor an Issuer request that directs the purchase of Bonds for future delivery on or after a date that is within five (5) days prior to the last date, if any, on which notice or redemption with respect to such Bonds is required to be mailed in accordance with the provision of this Indenture. The Issuer is expressly authorized to tender, and to direct the Trustee to purchase for the Issuer, any Bonds for cancellation in lieu of redemption. The Trustee shall not be required to advance any of its own money to make any such purchase or purchases but shall apply any prepayment moneys held in the Bond Fund and available for redemption of Bonds to the purchase of Bonds.

(l) In addition, the Issuer may purchase, from its own funds, Bonds from Bondowners at any time (not in lieu of redemption) at a price and terms negotiated by Issuer and said Bondowner(s).

(m) In the event of such a purchase of Bonds, the amount of such purchase shall be credited against the principal portion of the Bonds or portion thereof represented by such Bond so purchased.

ARTICLE 8
COVENANTS OF THE ISSUER

Section 8.1. Payment of Principal of and Interest on Bonds. The Issuer shall promptly pay or cause to be paid the principal or applicable redemption price of, and the interest on, every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of Pledged Revenues. The Issuer hereby appoints the Trustee to act as Paying Agent in respect of the Bonds and designates the designated corporate trust operations agency office of such agent as the place of payment in respect of the Bonds. The aforesaid appointment and designation shall remain in effect until notice of change is filed with the Trustee.

Section 8.2. Corporate Existence; Compliance with Laws. The Issuer shall maintain its corporate existence; shall use its best efforts to maintain and renew all its rights, powers, privileges and franchises; and shall comply with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any legislative, executive, administrative or judicial body pertaining to the Bonds.

Section 8.3. Further Assurances. The Issuer hereby covenants and represents that this Indenture creates for the benefit of Bondowners a first lien on the Pledged Revenues on a parity with any additional Bonds or other obligations permitted under Section 2.11 hereof. Except to the extent otherwise provided in this Indenture, the Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondowners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Indenture.

Section 8.4. [Reserved].

Section 8.5. Financing Statements. Issuer shall cause this Indenture or a financing statement relating thereto under the Uniform Commercial Code of the State of Idaho to be filed, in such manner and at such places as may be required by law fully to protect the security of the Owners of the Bonds and the right and interest of the Trustee in and to the rights and interests assigned to the Trustee under this Indenture and shall periodically file such Uniform Commercial Code continuation statements as required to maintain and continue the perfection of said security interests. The Issuer shall cooperate with the Trustee in the filing of any required financing statements and consents thereto, providing that the Trustee shall have no responsibility hereunder for the filing of any financing statement or continuation thereof, or for the validity, perfection or priority of such filing.

Section 8.6. Issuer Representations. The Issuer represents as follows:

(a) The Issuer is a duly organized municipal corporation and political subdivision under the laws of the State and has power to enter into this Indenture and by proper action has duly authorized the execution and delivery of this Indenture.

(b) Neither the execution and delivery of this Indenture, the consummation of the transactions contemplated hereby nor the fulfillment or compliance of the terms and conditions of this Indenture conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any other agreement, instrument or obligation to which the Issuer is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the Pledged Revenues of the Issuer under the terms of any agreement, instrument or obligation.

(c) There is no action, suit or proceeding pending or imminently threatened against the Issuer which challenges or negates the validity of this Indenture and related documents or which threatens the Issuer, the operation or ownership of its property as to constitute a probable significant risk material to the ability of the Issuer to perform its obligations under this Indenture and related documents other than that disclosed in writing to the Original Purchaser.

(d) The Issuer has obtained or will obtain in due course all necessary governmental approvals for the Project, and is and will be in compliance with all planning, zoning, parking, sanitary and building laws, ordinances and regulations applicable to the Airport.

(e) The Issuer will acquire the Project in accordance with this Indenture and applicable law.

(f) The Issuer has not obtained other financing for the Project.

(g) The Issuer will duly and punctually pay the amounts and satisfy the obligations required under this Indenture, recognizing that time is of the essence.

(h) The Issuer has power to enter into this Indenture and take all actions to satisfy its obligations hereunder.

Section 8.7. Insurance.

(a) The Issuer shall pay for or provide standard fire and casualty insurance on the Project in an amount at least equal to the unpaid principal of the 2024 Bonds, and all parity bonds, which may be with such self-insured retention amounts as are customary and reasonable for other municipalities of the size and nature of the Issuer. Policies evidencing this insurance shall provide for at least thirty (30) days written notice to the Trustee in writing of cancellation thereof and certificates of such policies shall be filed with the Trustee, and the Trustee shall be named as loss payee therein. Any proceeds of such insurance shall be paid to the Trustee. If the Issuer has breached any of its promises herein contained (regardless of whether such breach constitutes an event of default) and the breach has not been cured by the time insurance proceeds are paid to the Trustee, the insurance proceeds shall be used to prepay the Bonds as soon as possible after the Trustee receives the insurance proceeds. If the Issuer has not breached its promises hereunder, or any breach has been cured, then the Issuer may apply the insurance proceeds to the repair and/or replacement of the Project, to extraordinarily redeem the Bonds pursuant to Section 7.1 or to prepayment of Debt Service, in its discretion.

(b) Upon the execution and delivery of this Indenture, the Issuer shall, in accordance with any applicable standards of the State insure against public liability including errors and omissions coverage which may be by means of self-insurance and civil rights coverage, by means of a self-insurance fund, with respect to the activities to be undertaken by and on behalf of the Issuer in connection with the use of the Project. Such coverage shall be in amounts not less than the limits of liability set by the Idaho Tort Claim Act (Title 6, Chapter 9, Idaho Code), as the same may from time to time be amended, for claims to which the defense of sovereign immunity applies and Trustee shall be an additional insured for such coverage. The public liability insurance required by this Section may be by blanket insurance policy or policies. The Issuer may alternatively elect to carry, at its expense, public liability insurance (including insurance against civil rights claims) with respect to the Project in amounts not less than the limits of liability of the Idaho Tort Claims Act. In such event, such policies shall show the Trustee, the Issuer and all officers and employees thereof as a named insured.

(c) If an Event of Default occurs after the Trustee receives insurance proceeds and if not cured, any proceeds of insurance held by the Trustee shall be applied to the payment of amounts due under this Indenture.

Section 8.8. Conditions Precedent Satisfied. The Issuer represents and recites that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Indenture have happened and have been performed in regular and due time, form and manner as required by law, and that it is now duly empowered to execute and enter into this Indenture.

Section 8.9. No Duty to Mitigate Damages. The Trustee shall not be required to do any act or pursue any remedy or exercise any diligence whatsoever to mitigate the damages to the Issuer if an Event of Default shall occur hereunder.

Section 8.10. [Reserved].

Section 8.11. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Issuer to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default under this Indenture; however, the Trustee as the dissemination agent under the Continuing Disclosure Agreement, may (and, at the request of any participating underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds and the provision of indemnity satisfactory to it, shall) or any Bondowner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer, as the case may be, to comply with its obligations under this Section.

Section 8.12. Maintenance and Operation of Project. The Issuer, at its expense, will maintain and operate the facilities constituting the Project or cause such facilities to be maintained and operated during their useful life. Further, the Issuer shall make such improvements and repairs to the Project as may be necessary to insure its economical and efficient operation and its ability to meet demands for service. The Trustee shall have no duty or responsibility to monitor the Issuer's compliance with this Section 8.12.

Section 8.13. Covenant to Appropriate Funds. In order to provide for the security set forth in Section 2.10 above and for the purpose of making the payments of the Debt Service Requirements on the Bonds and the expenses incurred hereunder, the Issuer will, for each fiscal year under this Indenture, include in its next annual budget and appropriate for payment an amount of Pledged Revenues which will be sufficient to make such Debt Service Requirements on the Bonds when due and payable, together with all other budgeted general fund expenditures.

Notwithstanding that payments on the Bonds are not subject to annual appropriation, the Issuer will cause its Treasurer and Financial Services Manager (or any other officer at any time charged with the responsibility of formulating budget proposals) to include in the budget proposals submitted to the City Council, in any year in which this Indenture shall be in effect, items for all payments required for the ensuing budget year under this Indenture. The Issuer will make available to the Trustee its annual budget promptly after the budget is adopted, together with a certified copy of the ordinance of the City Council adopting such budget and appropriating moneys necessary for the implementation of such budget. The Trustee shall be under no duty to receive or review any such budget or ordinance.

Section 8.14. Issuer's CFC Covenants.

A. Rates and Charges. Rates and charges for services rendered by the Issuer related to the CFC Facilities shall be reasonable and just, taking into account the cost and value of the CFC Facilities, operation and maintenance expenses, possible delinquencies, proper allowances for depreciation, contingencies, and the amounts necessary to meet all Aggregate Debt Service Requirements. There shall be charged against all users, including the State and its subdivisions, as long as the Bonds are

Outstanding, rates and charges sufficient to produce said Pledged Revenues at least equal to 125% of the Aggregate Debt Service Requirements for the applicable Fiscal Year.

B. CFCs Collection. Prior to the delivery of the Bonds, the Issuer has established CFCs and will continue to collect CFCs Revenues which CFCs Revenues will be transferred to the Trustee as Pledged Revenues on or before each Deposit Date. No reduction in any initial CFCs may be made unless:

1. The Issuer has certified to the Trustee its compliance with the provisions of this Indenture for at least one (1) fiscal year immediately preceding such reduction; and,

2. The audits for the full one (1) Fiscal Year immediately preceding such reduction disclose that the estimated said Pledged Revenues resulting from the proposed rate schedule, will be sufficient to meet the requirements of Section 8.14.A; or

3. A reduction is accomplished in accordance with the Issuer's agreements with rental car companies serving the Airport, provided that no such reduction will be permitted under this Section 8.14 which will produce Pledged Revenues less than the minimum required under Section 8.14.A above.

The Trustee shall have no responsibility or duty to monitor the Issuer’s compliance with this Section 8.14.

Section 8.15. Use of Pledged Revenues. It is understood and agreed that the Issuer’s Pledged Revenues are intended to be used only for the Issuer’s airport purposes and shall not be transferred to other funds of the Issuer for other purposes unless such transfer is permitted under Issuer’s then current accounting policies and the transfer will not cause Issuer to default on its obligation to pay Debt Service Requirements hereunder and such transfer occurs not more often than once at the end of each Fiscal Year.

ARTICLE 9
EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. If any of the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default”:

(a) Default in the due and punctual payment of any interest due on any Bond;

(b) Default in the due and punctual payment of the principal or Redemption Price, if any, of any Bond whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration, acceleration or otherwise;

(c) Default on the part of the Issuer in the performance or observance of any of the covenants, agreements or conditions in this Indenture or in the Bonds contained and the continuance thereof for a period of sixty (60) days after notice of such default has been provided to the Issuer in writing;

(d) Any representation or warranty made by the Issuer hereunder shall be untrue in any material respect as of the date made;

(e) The Airport becomes insolvent or the Issuer admits in writing on behalf of the Airport an inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Airport or a substantial part of its property; or in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for the Airport or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the Airport and, if instituted against the Airport, is not dismissed within ninety (90) days;

(f) If judgment for the payment of money in an amount in excess of fifty percent of the budgeted Pledged Revenues for the then current fiscal year shall be rendered against the Issuer chargeable against the Pledged Revenues, and arrangements for the discharge of such judgment shall not be made within one hundred twenty (120) days of the entry thereof, or an appeal shall not be taken therefrom or from the order, decree of process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decrees or process or the enforcement thereof;

(g) If there is a final determination by the Internal Revenue Service (not subject to further review or approval), or an opinion of Counsel, that interest on the Bonds is not excluded from gross income for federal income tax purposes.

Section 9.2. Remedies. If any Event of Default occurs and is continuing, of which Event of Default a corporate trust officer of the Trustee has received written notice thereof at the address provided in Section 15.5 hereof from either the Issuer or the Owner of at least ten (10) percent of the aggregate Outstanding principal amount of the Bonds, other than the Events of Default described in Section 9.1(a) and (b) hereof, of which Events of Default the Trustee is deemed to have actual notice, the Trustee, acting for all of the Bondowners shall be entitled to all of the rights and remedies set forth in the Act, and to all of the rights and remedies otherwise permitted by law and this Article 9 of the Indenture. In the absence of such actual notice, the Trustee may conclusively presume that no Event of Default has occurred.

Section 9.3. Proceedings by Trustee. Upon the occurrence of any Event of Default of which the Trustee has actual notice as specified herein, the Trustee may, and shall, upon written request of the Bondowners of Bonds representing not less than fifty-one percent (51%) of the principal amount of unpaid Outstanding Bonds, exercise any or all of the following remedies:

A. Declare the unpaid principal then due, and any accrued interest, immediately due and payable from Pledged Revenues

B. Pursue and exercise any other remedy available at law or in equity to enforce its rights under this Indenture, upon receipt of indemnity against anticipated expenses and liability to its satisfaction (which indemnity is a condition precedent to its duties under this Section 9.3.B).

The foregoing remedies are cumulative and the exercise of any of them shall not preclude the exercise of one or more of the others.

Section 9.4. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, then the Issuer, the Trustee and the Bondowners shall be restored to their former positions and rights hereunder as though no such proceeding had been taken, but subject to the limitations of any such adverse determination.

Section 9.5. Bondowners May Direct Proceedings. Subject to the Trustee's right to the receipt of indemnity against anticipated expenses and liability to its satisfaction (which indemnity is a condition precedent to its duties under this Section 9.5), the Owners of fifty-one percent (51%) in principal amount of the Bonds Outstanding hereunder shall have the right to direct any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that such direction shall not be in conflict with any rule of law or with this Indenture or be unduly prejudicial to Owners not joining therein, and the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 9.6. Limitations on Actions by Bondowners. No Bondowners shall have any right to pursue any remedy hereunder unless:

A. The Trustee shall have been given written notice of an Event of Default;

B. The Owners of at least fifty-one percent (51%) in principal amount of the Bonds then Outstanding respecting which there has been an Event of Default shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names;

C. The Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities; and

D. The Trustee shall have failed to comply with such request within a reasonable time.

Section 9.7. Trustee May Enforce Rights Without Possession of Bonds. All rights under the Indenture and the Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Owners of the Bonds.

Section 9.8. Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default and every remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

Section 9.9. Application of Money in Event of Default. Any money received by the Trustee under this Article 9 shall be applied:

First: To the payment of all amounts due the Trustee under Section 10.4 hereof;

Second: To the payment of interest then owing on the Bonds; and

Third: To the payment of principal or redemption price on the Bonds.

The surplus, if any, shall be paid to the Issuer or the person lawfully entitled to receive the same as a court of competent jurisdiction may direct.

ARTICLE 10
THE TRUSTEE

Section 10.1. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article 10, to all of which the Issuer, and the Bondowners agree.

Section 10.2. No Responsibility for Recitals, Etc. The recitals, statements and representations in the Indenture or in the Bonds, save only the Trustee's certificate of authentication upon the Bonds, have been made by the Issuer and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof (excluding said certificate of authentication), and shall have no liability or responsibility to any person for the due execution, legality, validity, enforceability, genuineness, effectiveness or sufficiency of this Indenture or the Bonds. The permissive rights of the Trustee shall not be construed as duties. The Trustee shall have responsibility for the use of Bond proceeds disbursed by it in accordance with the terms of this Indenture.

The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

The Trustee, or any of its affiliates, in any capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondowner may be entitled to take with like effect as if it were not Trustee. The Trustee, or any of its affiliates, in any capacity, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, trustee or agent for any committee of Bondowners secured hereby or other obligations of the Issuer as freely as if it were not Trustee.

No provision of this Trust Indenture shall require the Trustee 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 it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Notwithstanding anything to the contrary contained herein, the Trustee shall have no duty, and nothing herein shall be read to confer or imply that the Trustee has standing, to assert any claims under the federal securities laws on behalf of any Owners, or Beneficial Owners, or any class thereof. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the existence, furnishing or use of the Project or the Airport, even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall have no duty to ascertain or inquire as to the performance or observance by the Issuer of any of the terms, conditions or covenants of any other agreement to which the Issuer is a party.

The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and the final payment or the defeasance of the Bonds (or the discharge of the Bonds or the defeasance of the lien of this Indenture).

Section 10.3. Trustee May Act Through Agents; Answerable Only for Negligence or Willful Misconduct. The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder and shall not be liable for any action taken or not taken by it in good faith in accordance with the advice of such Counsel (other than officers or employees of the Trustee). The Trustee shall not be liable for following any instruction that it is directed to follow hereunder or upon which it is entitled to rely hereunder, or for the exercise of any discretion or power under this Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct or that of its agents, officers or employees.

Section 10.4. Compensation and Indemnity.

(a) To the extent permitted by law and without waiving any of the available protections thereunder, the Issuer shall indemnify, defend and hold harmless the Trustee, its directors, employees, agents and affiliates (the "Indemnitees") from all loss, liability, claims, proceedings, suits, demands, penalties, costs and expenses, including without limitation the costs and expenses of outside and in house counsel and experts and their staffs and all expenses of document location, duplication and shipment and of preparation to defend any of the foregoing ("Losses"), that may be imposed on, incurred by or asserted against any Indemnitee in respect of (a) the Indenture or any document related thereto, (b) the Trustee's execution, delivery and performance of the Indenture, except in respect of any Indemnitee to the extent such Indemnitee's negligence or bad faith primarily caused the Loss, and (c) any instruction or other direction upon which the Trustee may rely under the Indenture. The Indemnitees shall have a right of payment prior to the Owners from property held or collected by the Trustee hereunder for the payment of all amounts due them in respect of the foregoing indemnity and any other fees or expenses at any time owing any Indemnitee. The provisions of this Section shall survive the resignation or removal of the Trustee for any reason and the termination of this Indenture.

(b) The Issuer shall pay the Trustee its agreed to fees for acting as Trustee under the Indenture and will reimburse the Trustee for its ordinary, necessary, and reasonable expenses incurred in carrying out the terms of the Indenture (including its reasonable attorney's fees and expenses). Such fees and reimbursements of expenses shall be paid directly to the Trustee promptly upon receipt of periodic invoices therefor.

In the event the Trustee is required by the terms of the Indenture or otherwise deems it necessary or advisable in fulfillment of its fiduciary responsibilities thereunder to take actions beyond those which are routinely performed by corporate trustees under similar indentures, the Issuer also shall pay the Trustee its reasonable fees for its services in such regard and will reimburse the Trustee for ordinary and necessary expenses incurred by the Trustee in connection therewith. Such fees and reimbursements of expenses shall be paid directly to the Trustee promptly upon receipt of any such charges and during the pendency of any dispute the Issuer shall not be deemed in default of the foregoing covenant by reason of its failure to have paid the portion of such charges so disputed.

Section 10.5. Notice of Default; Right to Investigate. The Trustee shall, within thirty (30) days after the Trustee's receipt of actual notice thereof, give written notice by first-class mail to Registered Owners of Bonds of all defaults known to the Trustee and send a copy of such notice to the Issuer unless such defaults have been remedied (the term "defaults" for purposes of Section 9.5 and Section 9.6 hereof being defined to include the events specified in Section 8.1 hereof, not including any notice or periods of grace provided for therein); provided that, except in the case of a default under Clauses (a) or (b) of Section 9.1, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondowners. The Trustee shall not be deemed to have notice of any default under Clauses (c) through (g) of Section 9.1 hereof unless it has actual knowledge thereof as described in Section 9.2 hereof or has been notified in writing of such default by the Owners of at least fifty-one percent (51%) in principal amount of the Bonds then Outstanding. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made an investigation into the affairs of the Issuer related to this Indenture.

Section 10.6. Duties and Responsibilities. Except during the continuance of an Event of Default of which the Trustee has actual notice as provided herein, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee and in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates and opinions furnished to the Trustee and conforming to the requirements of this Indenture. If any such Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and remedies vested in it by this Indenture and shall use the same degree of care in their exercise as a prudent person would exercise or use in the circumstances in the conduct of his or her own affairs; provided, that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it.

Section 10.7. Reliance on Documents, Etc. The Trustee may rely upon any consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of the Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. The Trustee shall have the right to consult with counsel and to rely on legal opinions delivered to it.

Section 10.8. Construction of Ambiguous Provisions. The Trustee may construe or may at the expense of the Issuer, upon the prior consent of the Issuer which shall not be unreasonably withheld, request an opinion of Counsel acceptable to Issuer and Trustee as to any ambiguous or inconsistent provisions of this Indenture, and any such construction by the Trustee shall be binding upon the Bondowners. Notwithstanding anything to the contrary contained herein, in any instance where the Trustee determines that it lacks or is uncertain as to its authority to take or refrain from taking certain action, or as to the requirements of this Indenture under any circumstance before it, it may delay or refrain from taking action unless and until it has received instructions from the Issuer or advice from legal counsel (or other appropriate advisor), satisfactory to it in its sole discretion, as the case may be.

Section 10.9. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Indenture by written resignation filed with the Clerk of the Issuer not less than sixty (60) days before the date when it is to take effect. Such resignation shall take effect only upon the appointment of a successor trustee.

If no successor trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid and the Issuer or Bondowners do not appoint a successor under Section 10.11 hereof, the incumbent Trustee, at the Issuer's expense, or any Bondowner (on behalf of himself and all other Bondowners) may petition any court of competent jurisdiction for the appointment of a successor trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor trustee.

Section 10.10. Removal of Trustee. The Trustee may be removed (i) at any time, following at least thirty (30) days written notice, by an instrument or concurrent instruments in writing, filed with the Trustee and the Issuer, and signed by the Bondowners representing a majority in aggregate principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the Issuer, or (ii) by the Issuer at any time, following at least thirty (30) days written notice, except during the continuance of an Event of Default for such cause as shall be determined in the sole discretion of the Issuer, by filing with the Trustee notice of removal in the form of a certificate of the Issuer. In no event, however, shall such removal take effect until a successor trustee has been appointed pursuant to Section 10.11 of this Indenture.

Section 10.11. Appointment of Successor Trustee. If the Trustee or any successor trustee resigns or is removed (other than pursuant to Section 10.10 hereof) or is dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor. If the Issuer fails to make such appointment within thirty (30) days after the date notice of resignation is filed, the owners of a majority in principal amount of the Bonds then Outstanding may do so.

Section 10.12. Qualification of Successor. A successor trustee shall be a national or state-chartered bank with trust powers or a bank and trust company or a trust company, in each case having capital and surplus of at least $50,000,000, if there be one able and willing to accept the trust on reasonable and customary terms.

Section 10.13. Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named as Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all money held by it hereunder; and, upon request of the successor trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts hereunder of the trustee ceasing to act.

Section 10.14. Merger of Trustee. Any company or association into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or any company or association resulting from any merger, conversion or consolidation to which any Trustee hereunder shall be a party, or any company or association to which the Trustee may sell or transfer all of, or substantially all of its municipal corporate trust business, provided in each case such company shall be eligible under Section 10.12 hereof, shall be the successor trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.15. Certification of Compliance with Anti-Boycott Against Israel Act. The Trustee hereby certifies, pursuant to Section 67-2346, Idaho Code, that the Trustee, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the

Trustee, is not currently engaged in, and will not for the duration of this Indenture, engage in, a boycott of goods or services from Israel or territories under its control.

Section 10.16. Certification of Compliance with Idaho Code. The Trustee hereby certifies, pursuant to Section 67-2359, Idaho Code, that it, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies and affiliates, is not currently owned or operated by the Government of China and will not for the duration of this Indenture be owned or operated by the Government of China.

ARTICLE 11
ACTS OF BONDOWNERS; EVIDENCE OF OWNERSHIP OF BONDS

Section 11.1. Actions of Bondowners; Evidence of Ownership. Any action to be taken by Bondowners may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondowners in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instruments may be proved by acknowledgement before a notary public or other officer empowered to take acknowledgements or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future owners of the same Bond in respect of anything done or suffered by the Issuer or the Trustee in pursuance thereof.

ARTICLE 12
AMENDMENTS AND SUPPLEMENTS

Section 12.1. Amendments and Supplements Without Bondowner's Consent. This Indenture may be amended or supplemented at any time and from time to time, without the consent of Bondowners, by a supplemental indenture authorized by a Certified Resolution filed with the Trustee, for one or more of the following purposes:

A. To add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

B. To cure any ambiguity or to cure, correct or supplement any defective provision of this Indenture in such manner as shall not be inconsistent with this Indenture and shall not impair the security hereof or adversely affect the Bondowners; and

C. To issue additional Bonds upon satisfaction of the conditions set forth in Section 2.11 hereof.

A copy of any such amendment shall be sent by the Issuer to each Rating Agency.

Section 12.2. Amendments with Bondowners' Consent. This Indenture may be amended from time to time, except with respect to (1) the principal or interest payable upon any Bond, (2) the dates of maturity or redemption provisions of any Bonds, and (3) this Article 12, by a supplemental indenture approved by the Owners of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

A copy of any such amendment shall be sent by the Issuer to each Rating Agency.

ARTICLE 13
DEFEASANCE

Section 13.1. Defeasance. When the principal or Redemption Price (as the case may be) of, and interest on, all Bonds issued hereunder have been paid together with all fees and expenses of the Issuer and the Trustee, as provided in the Act and in this Section 13.1, or provision has been made for payment of the same, together with all other sums payable hereunder by the Issuer, as provided in the Act and in this Section 13.1, then the Trustee's lien on the Pledged Revenues hereunder shall thereupon cease and the Trustee, on demand of the Issuer, shall release this Indenture in respect thereto and shall, at the Issuer’s expense, execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or its assigns all balances then held by it hereunder not required for the payment of the Bonds and such other sums. If the principal or Redemption Price (as the case may be) of, and interest on, any of the Bonds issued hereunder has been paid, or provision has been made for the payment of the same in the manner stipulated therein and in this Indenture, then such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Issuer with respect to payment of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Investments deposited to a fund for purposes of defeasance and payment of the Bonds shall be Defeasance Securities.

It shall be a condition of any such defeasance of Bonds through the deposit of monies or Defeasance Securities by the Issuer in a special fund or through the issuance of refunding bonds, that the Issuer has obtained and delivered to the Trustee: (i) an opinion of bond counsel that such Bonds have been legally defeased under this Indenture and that such refunding or defeasance shall not affect the exclusion of interest on the Bonds from gross income for the purpose of federal income taxes; and (ii) a verification report of independent certified public accountants.

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ARTICLE 14
FORM OF BONDS

Section 14.1. Form of 2024 Bonds. The 2024 Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF IDAHO

$_________________

Registered No: R-___

CITY OF BOISE CITY, IDAHO
AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS
(CONRAC PROJECT), SERIES 2024 (FEDERALLY TAXABLE)

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
%	September 1, 20[__]	June [__] 2024	097428

REGISTERED OWNER: ** CEDE & CO. **

PRINCIPAL AMOUNT: ______________________________ AND NO/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: The City of Boise City, Idaho (the "City"), for value received, promises to pay from its Pledged Revenues as defined in the Indenture (hereinafter defined) deposited to the "Bond Fund" as defined in the Trust Indenture (the "Indenture") dated as of June 1, 2024, between the City and Zions Bancorporation, National Association, as Trustee ("Trustee") and approved by Ordinance No. ORD-14-24, adopted by the City on May 7, 2024 (the "Ordinance"), to the registered owner, or registered assigns specified above, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the aforesaid Bond Fund from the dated date specified above, or the most recent date to which interest has been paid or duly provided for, at the rate specified above, payable on September 1, 2024, and semiannually thereafter on September 1 and March 1 of each year until the date of maturity or prior redemption of this Bond.

Principal, interest and any redemption premium with respect to this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address appear on the registration books of the Trustee (the "Bond Register") maintained by the Trustee. Interest shall be paid by the Trustee to the registered owner at the address shown on the Bond Register on the fifteenth (15th) day of the month prior to the interest payment date, or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond on or after the date of maturity or prior redemption at the designated corporate trust operations agency office of the Trustee.

This Bond is one of a duly authorized issue of Bonds of like date, tenor, and effect, except for variations required to state numbers, denomination, rates of interest, and dates of maturity, aggregating $86,025,000 in principal amount, and is issued pursuant to and in full compliance with the Constitution and statutes of the State of Idaho, particularly, Article VIII, Section 3E of the Constitution; the Revenue Bond Act, Sections 50-1027 through 50-1042, inclusive, Idaho Code; Sections 57-501 through 57-504, inclusive, Idaho Code; and Section 21-401, Idaho Code, and proceedings duly adopted and authorized by the City, and more particularly the Ordinance and Indenture. This Bond and the Bonds of this issue are issued for the purpose of financing the costs of construction of the Project, as more fully described in the Indenture, required funding of the Reserve Fund, funding a Capitalized Interest Account, and payment of the costs of issuance of the Bonds.

The Bonds are initially issued in the form of a separate single certificated fully registered Bond for each maturity, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

Unless this Bond is presented by an authorized representative of DTC to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, since the registered owner hereof, Cede & Co., has an interest herein.

This Bond may be exchanged, transferred or replaced only as provided in the Indenture. The ownership of this Bond must be registered upon the books of the Trustee as provided in the Indenture. The Trustee may treat the registered owner hereof as the absolute Owner hereof for all purposes, and the Trustee shall not be affected by any notice to the contrary.

The Bonds are subject to redemption on the dates, at the prices and following such notice as set forth in the Indenture, and the bond insurance provisions attached as Exhibit A to the Indenture are incorporated into this Bond and made a part hereof.

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to the Trustee, or its successor. Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Indenture, at law or in equity.

This Bond creates a first lien and charge upon the Pledged Revenues of the City on parity with any additional bonds or other obligations permitted under the Indenture. This Bond is a limited obligation of the City and is payable as to principal and interest solely from Pledged Revenues deposited to the Bond Fund and from the earnings thereon, and the Project Fund and Reserve Fund under conditions described in the Indenture. For a more particular description of said Bond Fund, Reserve Fund, Project Fund, the monies to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Indenture pursuant to which this Bond is issued and such funds will be maintained.

Reference is hereby made to the Indenture for the covenants and declarations of the City and other terms and conditions under which this and the Bonds of this issue have been issued. Any capitalized terms used in this Bond and not defined shall have the meaning as defined in the Indenture.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

THIS BOND IS A LIMITED OBLIGATION OF THE CITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES AS DEFINED IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, STATE OF IDAHO, NOR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR PAYMENT OF THIS BOND.

IT IS HEREBY CERTIFIED, RECITED, and DECLARED that all conditions, acts, and things essential to the validity of this Bond do exist, have happened, and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that the Pledged Revenues have been and are hereby pledged on a parity with any additional bonds or obligations permitted under the Indenture and will be paid over to the Trustee for deposit into the Bond Fund in amounts sufficient for the payment of principal of and interest on this Bond. Only the Pledged Revenues are pledged and none of the City's general fund revenues are pledged to the payment of the Bonds.

IT IS HEREBY FURTHER CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the Bonds of this issue does not violate any Constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Boise City, Idaho, has caused this Bond to be executed by the facsimile signature of its Mayor, countersigned by the facsimile signature of its Treasurer, and attested by the facsimile signature of its City Clerk, and a facsimile of the seal of the City to be reproduced hereon, this ____ day of June, 2024.

CITY OF BOISE CITY, IDAHO

By: ________________________________
Mayor

COUNTERSIGNED:

By: ________________________________
Treasurer

ATTEST:

By: ________________________________
City Clerk

SEAL

CERTIFICATE OF AUTHENTICATION

This Bond is one of City of Boise City, Idaho, Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable), described in the within mentioned Indenture.

Date of Authentication: ________________, 2024

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AS TRUSTEE

By: ________________________________
Authorized Signatory, Zions Bank Division

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Name of Transferee: ____

Address: ____

____

Tax Identification No.: ______________________________

the within Bond and hereby irrevocably constitutes and appoints

____

of ____

to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _________________________

____
Registered Bondowner

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

____

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a signature guarantee program (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

[End of 2024 Bond Form]

ARTICLE 15
MISCELLANEOUS PROVISIONS

Section 15.1. No Personal Recourse. No recourse shall be had for any claim based on the Indenture or the Bonds, including but not limited to the payment of the principal or Redemption Price of, or interest on, the Bonds, against any officer, agent or employee, past, present or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise.

Section 15.2. Deposit of Funds for Payment of Bonds. If the Issuer deposits with the Trustee funds sufficient to pay the principal or Redemption Price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, all interest on such Bonds shall cease to accrue on the due date, subject to the provisions of Section 13.1 hereof and all liability of the Issuer with respect to such Bonds appertaining thereto shall likewise cease, except as hereinafter provided. Thereafter the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds and the Trustee shall hold such funds in trust for such Owners.

Money so deposited with the Trustee which remains unclaimed at the time of final payment of the Bonds shall be paid to the Issuer subject to then applicable state law and upon receipt by the Trustee of indemnity satisfactory to it; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer to the extent that the Issuer benefited from said funds.

In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if funds sufficient to pay the principal and interest accrued thereon to such date shall have been made available to the Trustee for the benefit of the Owner thereof, the Trustee shall hold such principal and interest accrued thereon to such date, without liability to the Owner or Issuer for further interest thereon, for the benefit of the Owner of such Bond, for a period of one year from the date such Bond shall have become due, either at maturity or upon earlier redemption or otherwise, and thereafter the Trustee shall remit such funds to the Issuer; provided that the Trustee shall remit such funds on or after July 1 of any such year. Unless a demand is received by the Trustee not later than ninety (90) days (or such shorter period as shall be acceptable to the Trustee, in its sole discretion) prior to the date that the Trustee intends to take any action pursuant to this sentence, for the return to the Issuer of any unclaimed funds held by the Trustee hereunder, to which the Issuer is entitled to hereunder, the Trustee shall from time to time use reasonable efforts to deliver unclaimed funds pursuant to any applicable escheat laws, regulations, rules and procedures of any relevant escheat authority, including without limitation in accordance with Title 14, Chapter 5, Idaho Code, as amended, (the identity of which shall be determined by the Trustee in its sole discretion) to such authority or any representative or agent acting on behalf of any such authority and in accordance with the Trustee's and/or such representative's or agent's customary practices or procedures, after making such efforts to find any persons entitled to such funds as may be required by applicable law or as the Trustee, in its sole discretion, may decide to undertake. After any payment to the Issuer or any relevant escheat authority, as applicable, the Trustee's liability for payment to the Registered Owner of such Bond shall forthwith cease, terminate and be completely discharged and thereafter the Registered Owner shall be restricted exclusively to his or her rights of recovery provided under applicable law.

Section 15.3. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any person other than the parties hereto, the Owners of the Bonds.

Section 15.4. Illegal, Etc. Provisions Disregarded. In case any provision in this Indenture or the Bonds shall for any reason be held invalid, illegal or unenforceable in any respect, this Indenture shall be construed as if such provision had never been contained herein.

Section 15.5. Notices to Trustee, Issuer and Rating Agency. Any notice to or demand upon the Issuer, Rating Agency or the Trustee shall be deemed to have been sufficiently given or served for all purposes by having been sent by certified mail, by a recognized overnight delivery service, by telegram or by telephone or telefax confirmed in writing, and addressed to the parties, respectively, at the following addresses:

If to Trustee:	Zions Bancorporation, National Association Corporate Trust 800 W. Main Street, Ste 700 Boise, ID 83702 Attn: Jennifer Mabbott, Vice President
If to Issuer:	City of Boise City 150 N. Capitol Blvd. Boise, ID 83702 Attn: City Treasurer
If to Rating Agency:	Moody's Investors Service 99 Church Street New York, NY 10007 Fitch Ratings, Inc 33 Whitehall Street New York, NY 10004

In addition the Rating Agency shall receive notice from the Trustee in the following cases: (1) any change of the Trustee, (2) any changes proposed to this Indenture, (3) any redemption or defeasance of the Bonds under this Indenture and (4) any acceleration of the Bonds under this Indenture.

Section 15.6. Successors and Assigns. All the covenants, promises and agreements in this Indenture contained by or on behalf of the Issuer, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 15.7. Headings for Convenience Only. The descriptive headings in this Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 15.8. Counterparts. This Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; and such counterparts shall together constitute but one and the same instrument.

Section 15.9. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of interest or principal or redemption price need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest on such payment shall accrue for the period after such date.

Section 15.10. Applicable Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Idaho.

Section 15.11. Force Majeure. Notwithstanding any other provision of this Indenture, the Trustee shall not be obligated to perform any obligation hereunder and shall not incur any liability for the nonperformance or breach of any obligations hereunder to the extent that the Trustee is delayed in performing, unable to perform or breaches such obligation because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control, it being understood that the Trustee shall use commercially reasonable efforts consistent with accepted practices for corporate trustees to maintain performance without delay or resume performance as soon as reasonably practicable under the circumstances.

Section 15.12. Electronic Communications. The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the instructions or directions shall be signed by a person as may be designated and authorized to sign for the Issuer by an Designated Representative, who shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.13. Bond Insurance Provisions. The bond insurance provisions related to the Series 2024 Bonds are attached hereto as Exhibit A and incorporated into this Indenture and made a part hereof.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed by its Mayor and City Clerk and the Trustee has caused this Indenture to be executed by one of its Authorized Officers, all as of the day and year first above written.

CITY OF BOISE CITY, IDAHO,
as Issuer

By: ________________________________
Mayor

ATTEST:

By: ________________________________
City Clerk

ZIONS BANCORPORATION,
NATIONAL ASSOCIATION,
as TRUSTEE

By: ________________________________
Authorized Officer, Zions Bank Division

EXHIBIT A

BOND INSURANCE PROVISIONS

1) Notice and Other Information to be given to Build America Mutual Assurance Company, New York, New York ("BAM"). The Issuer will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Trustee under the Security Documents. The notice address of BAM is:

   Build America Mutual Assurance Company
   200 Liberty Street, 27th Floor
   New York, NY 10281
   Attention: Surveillance
   Re: Policy No. ________
   Telephone: (212) 235-2500
   Telecopier: (212) 962-1710
   Email:notices@buildamerica.com.

   In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and claims@buildamerica.com or at Telecopier: (212) 962-1524 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

2) Defeasance. The investments in the defeasance escrow relating to Insured Obligation shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

   At least (three) 3 Business Days prior to any defeasance with respect to the Insured Obligations, the Issuer shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Obligations, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

   a) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld

b) The Issuer will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

c) The Issuer shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

3) Trustee and Paying Agent.

a) BAM shall receive prior written notice of any name change of the trustee (the "Trustee") or, if applicable, the paying agent (the "Paying Agent") for the Insured Obligations or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or (C) otherwise approved by BAM in writing.

b) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, meeting the requirements above or acceptable to BAM, shall be qualified and appointed.

4) Amendments, Supplements and Consents. BAM's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The Issuer shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Insured Obligations.

a) *Consent of BAM*. Any amendments or supplements to the Security Documents shall require the prior written consent of BAM with the exception of amendments or supplements:

i. To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

ii. To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or

iii. To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or

iv. To add to the covenants and agreements of the Issuer in the Security Documents other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power therein reserved to or conferred upon the Issuer.

v. To issue additional parity debt in accordance with the requirements set forth in the Security Documents (unless otherwise specified herein).

b) *Consent of BAM in Addition to Bondholder Consent*. Whenever any Security Document requires the consent of holders of Insured Obligations, BAM's consent shall also be required. In addition, any amendment, supplement, modification to, or waiver of, any of the Security Documents that adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

c) *Insolvency*. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to BAM. The Trustee and each owner of the Insured Obligations hereby appoint BAM as their agent and attorney-in-fact with respect to the Insured Obligations and agree that BAM may at any time during the continuation of any proceeding by or against the Issuer 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 or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Insured Obligations delegate and assign to BAM, to the fullest extent permitted by law, the rights of the Trustee and each owner of the Insured Obligations with respect to the Insured Obligations 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.

d) *Control by BAM Upon Default*. Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Obligations or the Trustee or Paying Agent for the benefit of the holders of the Insured Obligations under any Security Document. No default or event of default may be waived without BAM's written consent.

e) *BAM as Owner*. Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

f) *Consent of BAM for acceleration.* BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.

g) *Grace Period for Payment Defaults*. No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

h) *Special Provisions for Insurer Default*. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs 4(a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

5) <u>Loan/Lease/Financing Agreement</u>.

a) The security for the Insured Obligations shall include a pledge and assignment of Insured Obligations (a "Financing Agreement") and a default under any Financing Agreement shall constitute an Event of Default under the Security Documents. In accordance with the foregoing, any such Financing Agreement is hereby pledged and assigned to the Trustee for the benefit of the holders of the Insured Obligations.

b) Any payments by the Issuer under the Financing Agreement that will be applied to the payment of debt service on the Insured Obligations shall be made directly to the Trustee at least fifteen (15) days prior to each debt service payment date for the Insured Obligations.

6) BAM As Third Party Beneficiary. BAM is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

7) Payment Procedure Under the Policy. In the event that principal and/or interest due on the Insured Obligations shall be paid by BAM pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners.

In the event that on the second (2nd) business day prior to any payment date on the Insured Obligations, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Paying Agent or Trustee shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify BAM or its designee.

In addition, if the Paying Agent or Trustee has notice that any holder of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Obligations as follows:

a) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Insured Obligations in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Insured Obligations, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from BAM with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the "BAM Policy Payment Account") to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such respective holders; and

b) If there is a deficiency in amounts required to pay principal of the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney in-fact for such holder of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Obligations surrendered to BAM, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from BAM, (iii) segregate all such payments in the BAM Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Obligations paid by BAM, 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 Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to BAM, registered in the name directed by BAM, 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 Obligation shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Obligation or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Paying Agent or Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Insured Obligations, and BAM shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Security Documents shall not be discharged or terminated unless all amounts due or to become due to BAM have been paid in full or duly provided for.

Irrespective of whether any such assignment is executed and delivered, the Issuer, and the Paying Agent and Trustee agree for the benefit of BAM that:

c) They recognize that to the extent BAM makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent or Trustee), on account of principal of or interest on the Insured Obligations, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured Obligations; and

d) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

8) Additional Payments. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Issuer, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, BAM Reimbursement Amounts shall be, and the Issuer hereby covenants and agrees that the BAM Reimbursement Amounts are, payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service due on the Insured Obligations.

9) Debt Service Reserve Fund. The prior written consent of BAM 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, if any. Amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Insured Obligations.

10) Exercise of Rights by BAM. The rights granted to BAM under the Security Documents to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise of the BAM'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 Obligations and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Obligations or any other person is required in addition to the consent of BAM.

11) BAM shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not BAM has received a claim upon the Policy.

12) So long as the Insured Obligations are outstanding or any amounts are due and payable to BAM, the Issuer shall not sell, lease, transfer, encumber or otherwise dispose of the CFC Facilities or any material portion thereof, except upon obtaining the prior written consent of BAM.

13) No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.

14) If an event of default occurs under any agreement pursuant to which any Obligation of the Issuer has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Obligations or BAM, as BAM may determine in its sole discretion, then an event of default shall be deemed to have occurred under this Indenture and the related Security Documents for which BAM or the Trustee, at the direction of BAM, shall be entitle to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Obligations.

15) <u>Definitions</u>.

"BAM" shall mean Build America Mutual Assurance Company, or any successor thereto.

"Insured Obligations" shall mean the Issuer's $86,025,000 Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable).

"Issuer" shall mean the City of Boise City, Ada County, Idaho.

"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, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (an change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar law limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"Policy" shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

"Security Documents" shall mean the resolution, trust agreement, indenture, ordinance, loan agreement, lease agreement, bond, note, certificate and/or any additional or supplemental document executed in connection with the Insured Obligations.

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE UNDERTAKING

$86,025,000 City of Boise City, Idaho
Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable)

THIS CONTINUING DISCLOSURE UNDERTAKING (the "Undertaking") is executed and delivered by the City of Boise City, Idaho (the "Issuer") and Zions Bancorporation, National Association (the "Disclosure Agent") in connection with the issuance $86,025,000 City of Boise City, Idaho, Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable) (the "Bonds") being issued pursuant to a Trust Indenture dated as of June 1, 2024 between the Issuer and Zions Bancorporation, National Association as Trustee (the "Indenture"). The Undertaking is executed and delivered as of the date set forth below in order for the Issuer to authorize and direct the Disclosure Agent, as the agent of the Issuer, to make certain information available to the public in compliance with Section (b)(5)(i) of Rule 15c2-12, as hereinafter defined.

WITNESSETH:

1. Background. The Issuer has resolved to issue the Bonds pursuant to pursuant to Ordinance No. 14-24 adopted by the City Council on May 7, 2024 (the "Ordinance"). The CUSIP number assigned to the final maturity of the Bonds is 097428 FU5.

2. Appointment of Disclosure Agent. The Issuer hereby appoints the Disclosure Agent and any successor Disclosure Agent acting as such under the Indenture as its agent under this Undertaking to disseminate the financial information and notices furnished by the Issuer hereunder in the manner and at the times as herein provided and to discharge the other duties assigned.

3. Annual Reports of the Issuer.

a. Provisions of Annual Reports. The Issuer agrees, in accordance with the provisions of Rule 15c2-12, to provide or cause to be provided through the Repository, not later than 210 days following the close of each fiscal year of the Issuer (October 1 - September 30) for all fiscal years beginning with the fiscal year ending September 30, 2024, the annual financial information and operating data (the "Annual Report") described in Section 3b herein. The Issuer further agrees, in accordance with the Rule 15c2-12, to provide or cause to be provided in a timely manner through the Repository notice of any failure to provide or cause to be provided the Annual Report or any part thereof, as described in this paragraph.

b. Contents of Annual Report. The Annual Report shall include the audited financial statements of the Issuer prepared in accordance with generally-accepted accounting principles, together with the report thereon of the Issuer's independent auditors, beginning with the Fiscal Year ending September 30, 2024. If audited financial statements are not available by the time specified herein, unaudited financial statements will be provided and audited financial statements will be provided when, and if, available. The Issuer shall include with each submission a written representation addressed to the Disclosure Agent to the effect that the financial statements are the financial statements required by this Undertaking and that they comply with the applicable requirements of this Undertaking. For the purposes of determining whether information received from the Issuer is the required financial statements, the Disclosure Agent shall be entitled conclusively to rely on the Issuer's written representation made pursuant to this Section.

The Annual Report shall also include the other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical, and operating data contained in the Official Statement, specifically the tables and/or information contained under the following headings and subheadings of the Official Statement:

- Updated table entitled "Rental Car Transactions and CFC Collections" in the Section entitled "RENTAL CAR OPERATIONS AND CUSTOMER FACILITY CHARGES AT THE AIRPORT" in the Official Statement, but only as to historical information, *i.e.* from the most recent Fiscal Year.
- Updated table entitled "Compliance with Covenants to Maintain Rates and Collections" in the Section entitled "PROJECTED CFC REVENUES AND DEBT SERVICE COVERAGE RATIOS" in the Official Statement, but only as to historical Debt Service Coverage information, *i.e.*, from the most recent Fiscal Year.
- Updated table entitled "Airline Market Shares of Total Enplaned Passengers Boise Airport" in the Section entitled "THE AIRPORT" in the Official Statement, updating on an annual Fiscal Year basis. To be clear, market share information shall be updated annually and not only ever 4 years as depicted in the Official Statement.
- Updated balance of Surplus Fund.

Any or all of the items listed above in Sections 3b may be incorporated by reference from other documents, including official statements of debt issues of the Issuer which have been previously submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference.

4. Notice of Certain Events. The Issuer agrees, in accordance with the provisions of the Rule 15c2-12, to provide or cause to be provided through the Repository, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies (which for the purpose of this Undertaking shall mean the Issuer's failure to provide funds to the Trustee for payments of principal and interest at the times specified in the Indenture);

(2) Nonpayment-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;

(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[1];

(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 an 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 name of a trustee, if material; and

(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 securities holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The Disclosure Agent shall attempt to promptly advise the Issuer whenever, in the course of performing its duties under the Indenture, the Disclosure Agent identifies an occurrence which would require the Issuer to provide a notice of the occurrence of any of the events listed in this Section 4; provided that the failure of the Disclosure Agent so to advise the Issuer of such

[1] For the purposes of the event identified in paragraph (12) above, 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 an 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 an obligated person.

occurrence shall not constitute a breach by the Disclosure Agent of any of its duties and responsibilities hereunder or under the Indenture.

5. Manner and Time by Which Information is to be made Public by the Disclosure Agent. The information required to be provided by the Issuer pursuant to Section 3 hereof shall be referred to as the Continuing Disclosure Information (the "Continuing Disclosure Information"), and the notices required to be provided by the Issuer pursuant to Section 4 hereof shall be referred to as the Event Information (the "Event Information").

After the receipt of any Continuing Disclosure Information or any Event Information from the Issuer, the Disclosure Agent will deliver the information as provided in this Section 5.

a. Manner and Time of Delivery. It shall be the Disclosure Agent's duty:

(1) to deliver the Continuing Disclosure Information to the Repository once it is received from the Issuer not later than five (5) days after receipt thereof;

(2) to deliver the Event Information to the Repository as soon as possible following receipt from the Issuer, but in no event later than the next business day;

(3) to determine the identity and address of the Repository to which Continuing Disclosure Information and Event Information must be sent under rules and regulations promulgated by the MSRB or by the SEC.

The Issuer shall deliver Continuing Disclosure Information and Event Information to the Disclosure Agent in a timely manner so that the Disclosure Agent can deliver such information to the Repository.

b. Limitation of Disclosure Agent's Duty. The Disclosure Agent shall have no duty or obligation to disclose to the Repository any information other than (i) Continuing Disclosure Information that the Disclosure Agent actually has received from the Issuer and (ii) Event Information about which the Disclosure Agent has received notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Undertaking. The Disclosure Agent's duties and obligations are only those specifically set forth in this Undertaking, and the Disclosure Agent shall have no implied duties or obligations.

c. Form of Disclosure. All Continuing Disclosure Information and Event Information, or other financial information and notices pursuant to this Undertaking are to be provided to the Repository in electronic PDF format (word-searchable) as prescribed by the MSRB. All documents provided to the MSRB pursuant to this Undertaking must be accompanied by identifying information as prescribed by the MSRB, which the Issuer shall provide to the Disclosure Agent in a timely manner.

6. Indemnification. The Disclosure Agent shall have no obligation to examine or review the Continuing Disclosure Information and shall have no liability or responsibility for the compliance of this Undertaking with Rule 15c2-12 or the accurateness or completeness of the Continuing Disclosure Information disseminated by the Disclosure Agent hereunder. The Continuing Disclosure Information shall contain a legend to such effect.

To the extent permitted by law, the Issuer hereby agrees to hold harmless and to indemnify the Disclosure Agent, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Disclosure Agent by reason of or in connection with the disclosure of information in accordance with this Undertaking, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful or negligent conduct of the Disclosure Agent in the performance of its duties under this Undertaking.

7. **Compensation.** The Issuer hereby agrees to compensate the Disclosure Agent for the services provided and the expenses incurred pursuant to this Undertaking in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition to any fees previously agreed upon with respect to the fiduciary services of the Disclosure Agent in its capacity as Trustee under the Indenture.

8. **Enforcement.** The obligations of the Issuer under this Undertaking shall be for the benefit of the registered and beneficial holders of the Bonds. Any holder of the Bonds then outstanding, including any Beneficial Owner (as defined in the Indenture) of the Bonds, may enforce specific performance of such obligations by any judicial proceeding available. However, any failure by the Issuer to perform in accordance with this Undertaking shall not constitute a default under the Indenture. Neither the Issuer nor the Disclosure Agent shall have any power or duty to enforce this Undertaking.

This Undertaking shall inure solely to the benefit of the Issuer, the Disclosure Agent and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

9. **Definitions.** As used herein, the following terms shall have the following meanings: "MSRB" shall mean the Municipal Securities Rulemaking Board.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in Rule15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

"Official Statement" shall mean the final Official Statement relating to the Bonds dated May __, 2024.

"Obligated person" as defined in Rule 15c2-12 shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in the offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities.

"Repository" shall mean the MSRB through its Electronic Municipal Market Access system ("EMMA") at http://emma.msrb.org, or such other nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to Rule 15c2-12.

"Rule 15c2-12" shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

"SEC" shall mean the Securities and Exchange Commission.

9. **Amendments and Termination.** This Undertaking may be amended with the mutual agreement of the Issuer and the Disclosure Agent and without the consent of any registered or beneficial holders of the Bonds under the following conditions:

a. the amendment 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 obligated person or type of business conducted;

b. this Undertaking, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

c. the amendment does not materially impair the interests of holders of the Bonds, as determined by parties unaffiliated with the Issuer (such as nationally recognized bond counsel).

Any party to this Undertaking may terminate this Undertaking by giving written notice of an intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The Issuer's next annual financial report must explain, in narrative form, the reasons for any such amendment or termination of the undertaking contained in this Undertaking and the impact, as applicable, of any change in the type of operating data or financial information being provided or, in the case of accounting principles, the presentation of such operating data or financial information.
The undertaking contained in this Undertaking shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid pursuant to the terms of the Indenture; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Disclosure Agent, otherwise, do not apply to the Bonds. The Issuer shall notify the Repository if this Undertaking is terminated pursuant to (iii), above.

11. **Successor Disclosure Agent.** Upon the transfer of the duties created under the Indenture from the current Disclosure Agent in its capacity as Trustee, to a successor Disclosure Agent, in its capacity as successor trustee, such successor Disclosure Agent shall succeed to the duties under this Undertaking without any further action on the part of any party, and the then current Disclosure Agent shall have no further duties or obligations upon the transfer to a successor Disclosure Agent. Such Successor Disclosure Agent may terminate this Undertaking or cause it to be amended as provided in Section 10 hereof.

12. **Additional Information.** Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating (or cause the Disclosure Agent to disseminate) 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 Continuing Disclosure Information or notice of the occurrence of any Event Information, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Continuing Disclosure

Information or Event Information in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Continuing Disclosure Information or notice of occurrence of any Event Information.

If the Issuer provides to the Disclosure Agent information relating to the Issuer or the Bonds, which information is not designated as Event Information, and directs the Disclosure Agent to provide such information to the Repository, the Disclosure Agent shall provide such information in a timely manner to the Repository.

13. **Notices.** Notices and the required information under this Undertaking shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Undertaking may designate from time to time.

14. **Counterparts.** This Undertaking may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Undertaking.

15. **Governing Law.** This Undertaking shall be governed by the laws of the State of Idaho and Rule 15c2-12.

16. **Certification of Compliance with Anti-Boycott Against Israel Act**. The Disclosure Agent, by acceptance of this Undertaking, certifies, pursuant to Section 67-2346, Idaho Code, that the Disclosure Agent, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Disclosure Agent is not currently engaged in, and will not for the duration of this Undertaking, engage in, a boycott of goods or services from Israel or territories under its control.

[*Signatures on following page]*

IN WITNESS WHEREOF, the Issuer and the Disclosure Agent have caused this Undertaking to be executed and delivered by a duly authorized officer of each of them, all as of this ____ day of June, 2024.

ISSUER: **THE CITY OF BOISE CITY, IDAHO**

By: ______________________________
David Hasegawa, Deputy Treasurer

Notice Address:
150 North Capitol Blvd. (City Hall), 1st Floor
Boise, ID 83702
Attention: David Hasegawa, Deputy Treasurer

DISCLOSURE AGENT: **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**

By: ______________________________
Authorized Officer

Notice Address:
Zions Bancorporation, National Association
Corporate Trust
800 W. Main Street, Ste 700
Boise, ID 83702
Attention: Jennifer Mabbott, Vice President

APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

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SKINNER FAWCETT LLP

LAW OFFICES

RICHARD A. SKINNER
JOHN R. McDEVITT
RYAN M. FAWCETT
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E-MAIL: rskinner@skinnerfawcett.com

June 4, 2024

The Honorable Mayor and
Members of the City Council
City of Boise City, Idaho
Boise City Hall
150 N. Capitol Blvd.
Boise, Idaho 83702

RE: City of Boise City, Idaho, $86,025,000 Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the City of Boise City, Ada County, Idaho (the "City"), of its $86,025,000 aggregate principal amount of Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable) (the "Series 2024 Bonds"). The Series Bonds are issued in accordance with Idaho law, and by virtue of Ordinance No. 14-24 (the "Bond Ordinance") adopted by the City Council of the City on May 7, 2024, approving a Trust Indenture dated as of June 1, 2024 (the "Indenture"), between the City and Zions Bancorporation, National Association, as trustee (the "Trustee"). The Series 2024 Bonds are being issued to (i) finance a portion of the costs of the acquisition, construction, and installation of certain consolidated rental car center facilities at the Boise Air Terminal/Gowen Field (the "Airport"), (ii) to fund a portion of the required deposit into the Debt Reserve Fund, and (iii) to pay certain issuance expenses of the Series 2024 Bonds. Capitalized terms shall have the meanings set forth in the Indenture unless otherwise defined herein.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated May 22, 2024 (the "Official Statement"), or other offering material relating to the Series 2024 Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

The conclusions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted, or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the fifth paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Series 2024 Bonds, the Bond Ordinance, and the Indenture, and their 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, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against the State of Idaho. 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 foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets.

We have examined originals or true copies of such certificates, records, and opinions as we consider necessary to issue this opinion. We have relied upon the certified proceedings and other certifications of public officials regarding questions of fact material to our opinion and have not undertaken to verify the same by independent investigation. We have also received, reviewed and relied upon the opinion of the City Attorney as to paragraphs 1, 2 and 3 below.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The City has been duly organized and is validly existing under the laws of the State of Idaho, and has full power and authority to enter into the Indenture and to cause the Series 2024 Bonds to be issued thereunder. Further, the City has full power and authority under the laws and Constitution of the State of Idaho to adopt the Bond Ordinance approving the Indenture and to carry out the transactions contemplated by the Indenture.

2. The issuance and sale of the Series 2024 Bonds have been duly and validly authorized by the City and the Series 2024 Bonds have been duly executed and delivered by

the City. The Series 2024 Bonds are valid and binding limited obligations of the City in accordance with their terms.

3. The Indenture has been duly and lawfully executed and delivered by the City and is a valid, legal, and binding obligation of the City enforceable against the City in accordance with its terms.

4. The interest on the Series 2024 Bonds received by the Registered Owners of the Series 2024 Bonds is not excluded from gross income for federal income tax purposes, however interest on the Series 2024 Bonds is excluded from gross income for purposes of taxation by the State of Idaho under present state income tax laws. We express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2024 Bonds.

We call your attention to the fact that the Series 2024 Bonds are limited obligations of the City, payable only out of Pledged Revenues and the funds and accounts held under the Indenture. The general fund revenues and the full faith and credit of the City are not pledged to the payment of the Series 2024 Bonds.

Very truly yours,

SKINNER FAWCETT LLP

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

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SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities 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 Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

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

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 notices be provided directly to them.]

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, 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.

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

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

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

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CITY OF BOISE CITY, IDAHO • Airport Customer Facility Charge Revenue Bonds (ConRAC Project), Series 2024 (Federally Taxable)

BOISE

CITY OF TREES

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