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

In the opinion of Bracewell & Giuliani LLP and West & Associates, LLP ("Co-Bond Counsel"), under existing law, (i) interest on the Bonds (as defined below) is excludable from gross income for federal income tax purposes, except with respect to interest on any Bond during such time that it is held by a person who, within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, is a "substantial user" or a "related person" to a "substantial user" of the facilities financed or refinanced with the proceeds of the Bonds, as described under "TAX MATTERS" herein, and (ii) interest on the Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" herein for a discussion of the opinion of Co-Bond Counsel.

$308,660,000
City of Houston, Texas
Airport System Special Facilities Revenue Refunding Bonds
(United Airlines, Inc. Terminal E Project),
Series 2014 (AMT)

Date of Interest Accrual: Date of Delivery **Due: July 1, as shown on the inside cover page hereto**

The City of Houston, Texas Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT) (the "Bonds") will be issued in fully-registered form in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), and will be available to ultimate purchasers under the book-entry only system maintained by DTC. The Bonds will be issued in denominations of $100,000 or any integral multiple of $5,000 in excess thereof. So long as Cede & Co. is the registered owner of the Bonds, principal of, premium, if any, and interest on the Bonds will be payable by The Bank of New York Mellon Trust Company, National Association, as trustee (the "Trustee"), to DTC, which will in turn remit such payments to its participants for subsequent disbursement to beneficial owners of such Bonds, as more fully described herein. Interest on the Bonds will be payable on each January 1 and July 1, commencing January 1, 2015, until maturity or earlier redemption.

The Bonds maturing on July 1, 2029 will be subject to optional redemption prior to maturity as more fully described herein under "THE BONDS — Optional Redemption." The Bonds maturing on July 1, 2020 and July 1, 2024 are not subject to optional redemption. The Bonds maturing on July 1, 2024 and July 1, 2029 will be subject to mandatory sinking fund redemption prior to maturity as more fully described herein under "THE BONDS — Mandatory Sinking Fund Redemption." The Bonds are subject to extraordinary mandatory redemption in certain circumstances as more fully described herein under "THE BONDS — Extraordinary Required Redemption."

The Bonds are being issued by the City of Houston, Texas (the "City") to provide a portion of the funds for the redemption of the City's outstanding Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal E Project), Series 2001 (the "Series 2001 Bonds"). The Series 2001 Bonds were originally issued to finance a portion of the cost of the construction, improvement and equipping of an international passenger terminal and related airport facilities (the "Special Facilities") for use by United Airlines, Inc. ("United," then known as Continental Airlines, Inc.) at George Bush Intercontinental Airport/Houston (the "Airport"). The Special Facilities were substantially completed in 2005 and are currently in service at the Airport. The Bonds will be issued as special limited obligations of the City, payable solely from and secured by a pledge of Pledged Revenues, consisting primarily of rentals to be paid by United pursuant to a Lease described herein between the City and

UNITED

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

United is a U.S.-based air carrier that transports people and cargo through its mainline and regional operations, either directly or through participation in Star Alliance®. On March 31, 2013, United Air Lines, Inc. ("Old United"), a wholly-owned subsidiary of United Continental Holdings, Inc. ("UAL"), merged with and into Continental Airlines, Inc. ("Continental"), another wholly-owned subsidiary of UAL, to form one legal entity (the "Airlines Merger"), with Continental continuing as the surviving corporation of the Airlines Merger and as a wholly-owned subsidiary of UAL. Upon closing of the Airlines Merger on March 31, 2013, Continental's name was changed to United Airlines, Inc.

The Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City's Home Rule Charter and shall not be general obligations of the City. The holders of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the airport system.

AN INVESTMENT IN THE BONDS INVOLVES SIGNIFICANT RISKS. For more complete information with respect to the security and sources of payment for the Bonds and certain risks with respect thereto, see "SECURITY FOR THE BONDS," and "CERTAIN BONDOWNERS' RISKS" herein.

PRINCIPAL AMOUNTS, MATURITY DATES, INTEREST RATES, PRICES AND YIELDS ON INSIDE COVER PAGE

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

The Bonds are offered when, as and if issued by the City and accepted by the Underwriters (as defined herein) and subject to the approving opinion of the Attorney General of the State of Texas and to receipt of an approving legal opinion of Co-Bond Counsel. Certain legal matters will be passed upon for the City by the City Attorney; for United by Richa Himani, its Senior Counsel — Commercial Transactions, and for the Underwriters by their counsel O'Melveny & Myers LLP. The Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about June 2, 2014.

Citigroup

Barclays **Cabrera Capital Markets, LLC** **Siebert Brandford Shank & Co., L.L.C.**

May 8, 2014

$308,660,000
City of Houston, Texas
Airport System Special Facilities Revenue Refunding Bonds
(United Airlines, Inc. Terminal E Project),
Series 2014 (AMT)

Maturity (July 1)	Amount	Interest Rate	Price	Yield	CUSIP*
2020	$34,180,000	4.500%	99.209%	4.650%	4423487F9

$104,515,000 4.750% Term Bond due July 1, 2024
Priced at 98.814% (Yield 4.900%) CUSIP* 4423487G7

$169,965,000 5.000% Term Bond due July 1, 2029
Priced at 98.435% (Yield 5.150%) CUSIP* 4423487H5

* CUSIP is a registered trademark of The American Bankers Association. CUSIP numbers have been assigned to the Bonds by the CUSIP Global Services, managed by Standard and Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers are provided solely for the convenience of potential investors. None of the City, United or the Underwriters are responsible for the selection or accuracy of the CUSIP numbers set forth herein.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement (including Appendices) in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the City, United or the Underwriters. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or United since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale. The City neither has nor assumes any responsibility as to the accuracy of the information in this Official Statement (other than that under the headings "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General," "NO LITIGATION" and "FINANCIAL ADVISOR," for which the City assumes full and sole responsibility).

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

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS, PROJECTIONS, ESTIMATES AND OTHER "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE," "FORECAST," "ASSUME" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH FORECASTS, PROJECTIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS. ANY SUCH FORWARD-LOOKING STATEMENTS INHERENTLY ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS OR PERFORMANCE TO DIFFER MATERIALLY FROM THOSE THAT HAVE BEEN FORECASTED, ESTIMATED OR PROJECTED. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE CITY AND UNITED DISCLAIM ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGES IN THEIR EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

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

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

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

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

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

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OFFICIAL STATEMENT
relating to

$308,660,000

City of Houston, Texas
Airport System Special Facilities Revenue Refunding Bonds
(United Airlines, Inc. Terminal E Project),
Series 2014 (AMT)

INTRODUCTION

This Official Statement, dated as shown on the cover page hereof, of the City of Houston, Texas (the "City") is provided to furnish information concerning $308,660,000 aggregate principal amount of the City's Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT) (the "Bonds"). The City is a municipal corporation organized as a home rule city, situated principally in Harris County, Texas. The City owns and manages George Bush Intercontinental Airport/Houston (the "Airport"), among other airports within the City.

The Bonds

The Bonds are being issued by the City under and pursuant to a First Supplemental Trust Indenture dated as of June 1, 2014, which supplements that certain Trust Indenture dated as of August 1, 2001 (hereinafter called the "Original Trust Indenture," and as supplemented by the First Supplemental Trust Indenture, the "Trust Indenture"), by and between the City and The Bank of New York Mellon Trust Company, National Association, as successor in trust to The Chase Manhattan Bank, as trustee (the "Trustee"). The Bonds are being issued to provide a portion of the funds for the redemption of the City's outstanding Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal E Project), Series 2001 (the "Series 2001 Bonds"). See "PLAN OF FINANCE" herein.

The Series 2001 Bonds were originally issued by the City in the principal amount of $323,500,000 to finance the construction, improvement and equipping of certain components (the "United Project Components") of an international passenger terminal known as Terminal E and related airport facilities for United Airlines, Inc. ("United," then known as Continental Airlines, Inc.) at the Airport. The United Project Components, together with all extensions, additions or modifications thereto and any facilities financed with the proceeds of additional bonds that may be issued in the future under the Trust Indenture (the "Additional Bonds") will be collectively referred to in this Official Statement as the "Special Facilities." The City was responsible for separately financing and constructing certain other components of Terminal E (the "City Project Components," and together with the United Project Components, the "Terminal E Project"). The Terminal E Project was constructed in two phases (the "Phases"), each of which included certain United Project Components and certain City Project Components. The first Phase, substantially completed in 2004, consisted of the passenger concourse and boarding area of the new terminal, related airside improvements and a garage check-in facility. The second Phase, substantially completed in 2005, consisted of the ticketing/check-in area of the new terminal, baggage system facilities and related improvements. Series 2001 Bonds in the aggregate principal amount of $304,490,000 currently remain outstanding, and all such currently-outstanding Series 2001 Bonds will be redeemed in connection with the issuance of the Bonds. See Schedule I– "REFUNDED BONDS."

The City owns and manages the Airport. United uses the Airport as one of its principal hubs and leases and uses additional passenger terminal and other support facilities at the Airport besides the facilities comprising the Terminal E Project. See "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON."

In connection with the Terminal E Project and the issuance of the Series 2001 Bonds, the City and United entered into a Terminal E Lease and Special Facilities Lease Agreement, dated as of August 1, 2001 (the "Lease"). Pursuant to the Lease, United was obligated to construct the United Project Components and the City was

obligated to construct the City Project Components of both Phases. Following substantial completion of both Phases of the Terminal E Project, United became unconditionally obligated to pay certain rentals under the Lease (the "Special Facilities Payments") to the Trustee, as assignee of the City, in an amount sufficient to pay the principal of, premium, if any, and interest when due on the Series 2001 Bonds. In addition, United is obligated under the Lease to pay to the City certain additional amounts for the right to use and occupy the ground areas underlying the United Project Components (the "Ground Rentals"), certain operating and maintenance expenses and other charges related to the Terminal E Project (the "City Charges"), and certain aircraft landing fees based on the total landed weight of United's aircraft operating at the Airport (the "Landing Fees"), which payments are not pledged to the payment of principal of, premium, if any, and interest on the Bonds.

The Bonds will be issued as special limited obligations of the City payable solely from and secured by a pledge of certain pledged revenues of the City relating to the Terminal E Project (the "Pledged Revenues"), including all Special Facilities Payments paid or payable by United under the Lease, but not including the Ground Rentals, the City Charges or the Landing Fees. Pledged Revenues also include certain revenues that may be realized by the City following a termination of United's possession rights under the Lease with respect to the Terminal E Project while any Bonds remain outstanding, through a reletting of the Special Facilities by the City to one or more replacement tenants, as further described herein. In addition, pursuant to a Guaranty Agreement entered into between United and the Trustee at the time of issuance of the Series 2001 Bonds, as amended and restated in connection with the issuance of the Bonds (the "Guaranty"), United will unconditionally guaranty the payment to the Trustee of all amounts required for the full and prompt payment of the principal of, premium, if any, and interest on the Bonds.

The Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City's Home Rule Charter and shall not be general obligations of the City. The holders of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the airport system.

AN INVESTMENT IN THE BONDS INVOLVES SIGNIFICANT RISKS. See "SECURITY FOR THE BONDS," and "CERTAIN BONDOWNERS' RISKS" herein.

The Bonds will be issued in fully registered form in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), and will be made available to ultimate purchasers under the book-entry only system maintained by DTC. The Bonds will be dated, mature, bear interest and be subject to redemption prior to maturity as described herein. See "THE BONDS" herein.

Information Relating to the United Merger

On May 2, 2010, UAL Corporation, Continental Airlines, Inc. (together with its consolidated subsidiaries, "Continental") and JT Merger Sub Inc., a wholly-owned subsidiary of UAL Corporation, entered into an Agreement and Plan of Merger. On October 1, 2010, JT Merger Sub Inc. merged with and into Continental, with Continental surviving as a wholly-owned subsidiary of UAL Corporation (the "October 1, 2010 Merger"). Upon closing of the October 1, 2010 Merger, UAL Corporation became the parent company of both United Air Lines, Inc. ("Old United") and Continental and UAL Corporation's name was changed to United Continental Holdings, Inc. ("UAL").

On March 31, 2013, Old United, a wholly-owned subsidiary of UAL, merged with and into Continental to form one legal entity (the "Airlines Merger"), with Continental continuing as the surviving corporation of the Airlines Merger and as a wholly-owned subsidiary of UAL. Upon the closing of the Airlines Merger on March 31, 2013, Continental's name was changed to United Airlines, Inc.

United is the principal operating subsidiary of UAL, although UAL also has additional direct subsidiaries that serve ancillary support functions or otherwise engage in limited activities. United also has a number of subsidiaries that conduct various business related to its operations. The obligation to pay any amounts due to support payment of the Bonds will be solely an obligation of United, and not of UAL or any other existing or

future subsidiary of UAL. Unless the context otherwise requires, references to "the Company" herein refer to UAL and United, collectively.

Information Relating to Other Matters

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

This Official Statement contains certain information and descriptions relating to the Airport, UAL, United, the Terminal E Project, the Special Facilities, the Bonds, the Lease, the Guaranty and the Trust Indenture. Such information and descriptions do not purport to be comprehensive or definitive. All references herein to specified documents are qualified in their entirety by reference to each such document, copies of which are available from United and the Underwriters during the initial offering period, and all references to any of the Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto included in the aforesaid documents. Capitalized terms not defined herein have the meanings specified in the Trust Indenture. See Appendix B—"Certain Provisions of the Trust Indenture—Selected Definitions from the Trust Indenture."

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

PLAN OF FINANCE

Purpose

The Bonds are being issued to provide a portion of the funds for the redemption of the outstanding Series 2001 Bonds, as further described in Schedule I hereto.

Refunded Bonds

On the delivery date, proceeds of the Bonds, together with other available funds of United, will be deposited with the Trustee in an amount sufficient to redeem the outstanding Series 2001 Bonds at the redemption price of par plus accrued interest thereon. In accordance with the terms of the Trust Indenture, notice of redemption has been given to the holders of the Series 2001 Bonds, conditioned upon the due provision for the payment of the redemption price by the redemption date.

By making the deposit required by the Trust Indenture, the City will have made firm banking and financial arrangements for the discharge and final payment of the outstanding Series 2001 Bonds pursuant to the provisions of Chapter 1207, Texas Government Code, as amended, and the Trust Indenture. Thereafter, the Series 2001 Bonds will be fully paid and no longer outstanding.

Application of Bond Proceeds

It is anticipated that proceeds in the amount of $304,490,136.05 from the issuance of the Bonds will be deposited into the redemption account for the Series 2001 Bonds for the payment of the principal amount of, and a de minimis amount of accrued but unpaid interest on, the Series 2001 Bonds at the date of their redemption. In addition, United will separately provide funds: (1) to pay for the remaining amount of accrued but unpaid interest on the Series 2001 Bonds at the date of their redemption, and (2) to pay costs of issuance of the Bonds. The Bonds were issued with an original issue discount in the amount of $4,169,863.95.

GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON

General

The Airport is situated on 10,000 acres of land approximately 22 miles north of downtown Houston. The Airport opened in 1969 and is the Houston area's dominant commercial airport facility. There are also two other airports located in the Houston area, William H. Hobby Airport and Ellington Airport, both of which are also owned and operated by the City and included as part of the City's airport system.

The Airport's facilities consist of five terminal buildings (i.e., Terminals A, B, C, D and E) with a total of 129 aircraft gates and 21 hardstand aircraft parking positions, and space for additional aircraft operations. The facilities provide public parking for more than 23,000 automobiles in multi-story garages and surface lots, an automated underground train system that connects the existing five terminals and the Marriott Hotel located at the Airport, and an above-ground level automated people mover system ("APM") that connects all five terminals and a central federal customs and immigration inspection services building (the "Central FIS Facility").

Terminal A contains 19 aircraft gates and seven hardstand aircraft parking positions and is used by various airlines (including, to some extent, United) primarily for domestic aircraft operations. Terminal B, containing 46 aircraft gates and 14 hardstand aircraft parking positions, is used principally by United as the base of its regional jet operations at the Airport, and Terminal C, containing 29 aircraft gates, primarily serves United's domestic mainline operations. Various airlines (including, to some extent, United) operate primarily international operations out of Terminal D, which contains 12 aircraft gates. Terminal E, containing 23 gates, is used primarily by United and accommodates most of United's international flight operations, as well as many of United's domestic flight operations. The Central FIS Facility is located adjacent to Terminal D and Terminal E and has the capacity to process 4,500 arriving international passengers per hour. The City is considering undertaking a potential redevelopment of Terminal D. The Terminal D redevelopment is expected to take multiple years to complete, and will include, among other things, an increase in the number of wide-body aircraft gates at Terminal D and will be designed to enhance international service to and from Houston.

The Airport has five runways interconnected by a system of taxiways. One of the runways is 12,000 feet, two are 10,000 feet and the remaining two are at least 9,000 feet. The runways are equipped with instrument landing systems, lighting systems, and other navigation aids and are configured to permit the simultaneous use of three runways for aircraft landings in poor visibility.

The Airport complex includes seven air cargo buildings and fuel farms that provide storage tanks for jet fuel. Two fixed base operators provide airline, corporate and general aviation aircraft operations support. The Marriott Hotel is located between Terminal B and Terminal C and has 565 rooms. United and ExpressJet Airlines maintain hangar and maintenance facilities at the Airport. A consolidated rental car facility opened in August 2003 and was financed by the proceeds of certain bonds issued in 2001 that are not obligations of the City or United and that are secured by and payable from a customer facility charge assessed on rental car customers at the Airport.

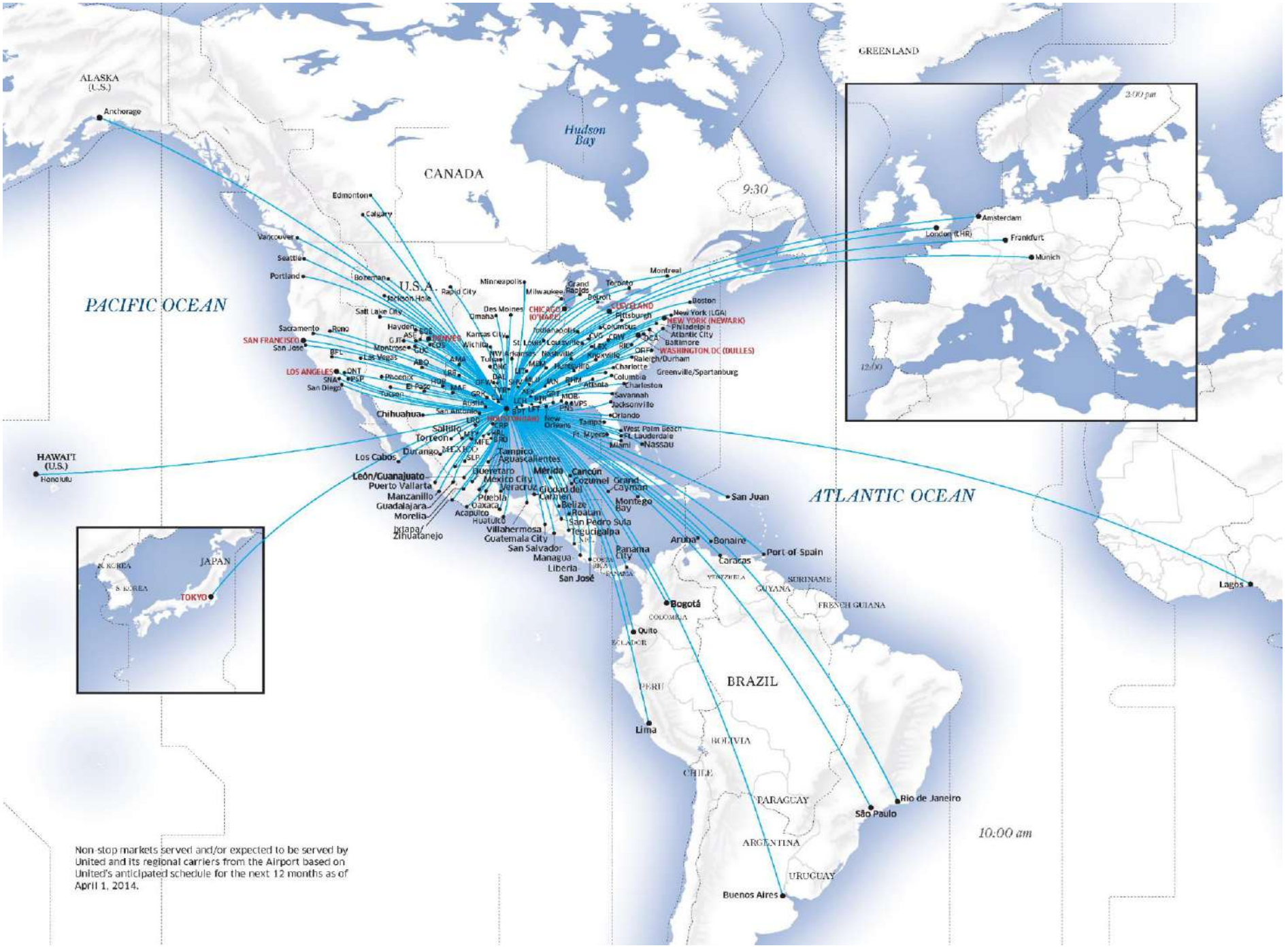
United's Operations at the Airport

The Airport is the largest of United's principal domestic airport hubs in terms of passenger enplanements, accounting for approximately 11% of United's system-wide enplanements in 2013. United and its regional carriers, respectively, enplaned approximately 11 million and 5 million passengers at the Airport in 2013,

approximately 65% of whom were passengers connecting from flights operated by United or its regional carriers. Such enplanements accounted for approximately 84% of the Airport's total enplaned passengers. No other airline accounted for more than 4% of the Airport's enplaned passengers in 2013.

Based on United's anticipated schedule for the next 12 months as of April 1, 2014, (a) United expects to operate 227 average departures (excluding regional jets) each day from the Airport to 84 non-stop destinations, including 39 international destinations, and (b) United's regional carriers expect to operate an additional 341 average daily departures from the Airport to 87 domestic destinations and 27 international destinations. The drawing on the following page shows each of the non-stop markets served and/or expected to be served by United and its regional carriers from the Airport based on United's anticipated schedule for the next 12 months as of April 1, 2014.

United and the City are currently in discussions regarding United's potential construction of a new two story concourse building to be located on the north side of Terminal B, anticipated to support 11 aircraft gates with jet bridge loading ("Terminal B Phase II"). The Terminal B Phase II redevelopment is, among other things, anticipated to replace the 14 existing hardstand aircraft parking positions in the existing Terminal B North and is expected to take two years, from the commencement of construction, to complete. The Terminal B Phase II redevelopment is one of the Deferred Phases (as defined in the Terminal B and C Lease) that United has the right to construct pursuant to the Terminal B and C Lease (as defined below).



Non-stop markets served and/or expected to be served by United and its regional carriers from the Airport based on United's anticipated schedule for the next 12 months as of April 1, 2014.

United's gate structure at the Airport allows for convenient connections of domestic and international flights. United believes that Houston is well suited for east/west connecting traffic. Further, United believes that the Airport is geographically positioned to be a superior gateway from the United States to Mexico and Central and South America, and the Airport is the focus of United's operations in such areas. Based on United's anticipated schedule for the next 12 months as of April 1, 2014, United and its regional carriers (a) expect to serve 172 destinations from the Airport, including 27 cities in Mexico, ten cities in Central America, seven cities in South America, six Caribbean destinations, five cities in Canada, five cities in Europe and Africa, and Tokyo, and (b) expect to average 568 departures per day, or approximately five flights per day per gate leased by United at the Airport.

United's Terminal Facilities at the Airport

United and its regional carriers currently lease and occupy facilities in all five terminals at the Airport under various lease and license agreements with the City. As of the date hereof, United's terminal lease agreements at the Airport include:

Terminal A

Agreement	Facilities	Term
Use and Lease Agreement effective as of June 1, 2004 (the "Terminal A Lease")	Preferential use of four aircraft gates Preferential use of seven hardstand aircraft parking positions Preferential use of certain airfield apron areas Exclusive use of certain related support facilities Common use of certain baggage and additional support facilities	Month to month

Terminal B

Agreement	Facilities	Term
Second Amended and Restated Special Facilities Lease ("Terminal B and C Lease") effective as of November 17, 2011	Exclusive use of 16 aircraft gates and preferential use of 30 aircraft gates Exclusive use of 14 hardstand aircraft parking positions Exclusive use of certain related support facilities Preferential use of certain airfield apron areas	Ending December 31, 2017 with respect to certain facilities and ending November 17, 2041 with respect to certain other facilities, subject in each case to certain extension rights

Terminal C

Agreements	Facilities	Term
Use and Lease Agreement effective as of January 1, 1998 (the "Use and Lease Agreement")	Exclusive use of 29 aircraft gates Exclusive use of certain related support facilities Preferential use of certain airfield apron areas	Ending December 31, 2027, subject to certain extension rights
Terminal B and C Lease		Ending December 31, 2027, subject to certain extension rights

Terminal D

Agreement	Facilities	Term
International Facilities Agreement effective as of July 1, 2004 (the "International Facilities Agreement")	Common use rights to aircraft gates Common use of certain baggage and support facilities	Month to month, ending no later than June 30, 2015

Terminal E

Agreement	Facilities	Term
Lease effective as of August 29, 2001	Exclusive use of 23 aircraft gates Exclusive use of certain related support facilities Preferential use of certain airfield apron areas	Ending on January 31, 2030, subject to certain extension rights

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

The only rent payments pledged to the repayment of the Bonds are Special Facilities Payments paid by United under the Lease, and none of United's payments of rentals under agreements other than the Lease are pledged to the repayment of the Bonds.

In addition to the Series 2001 Bonds, $183,335,000 aggregate principal amount of City of Houston, Texas Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal Improvement Projects) Series 1997B, Series 1998B and Series 2011 (AMT) (collectively, the "Terminal B and C Bonds") have previously been issued for the benefit of United to finance or refinance improvements used by United at Terminals B and C at the Airport and currently remain outstanding. Such Terminal B and C Bonds will not be affected by the refunding of the Series 2001 Bonds or the issuance of the Bonds. Pursuant to United's Terminal B and C Lease, United is obligated to pay net rentals to the City in an amount sufficient to pay as and when due all debt service payments on the Terminal B and C Bonds. No such payments with respect to the Terminal B and C Lease or the Terminal B and C Bonds are pledged to the repayment of the Bonds, and none of the Pledged Revenues under the Lease are pledged to repayment of the Terminal B and C Bonds. There are no currently-outstanding bonds for which United is responsible in connection with the facilities used by United at Terminals A or D at the Airport.

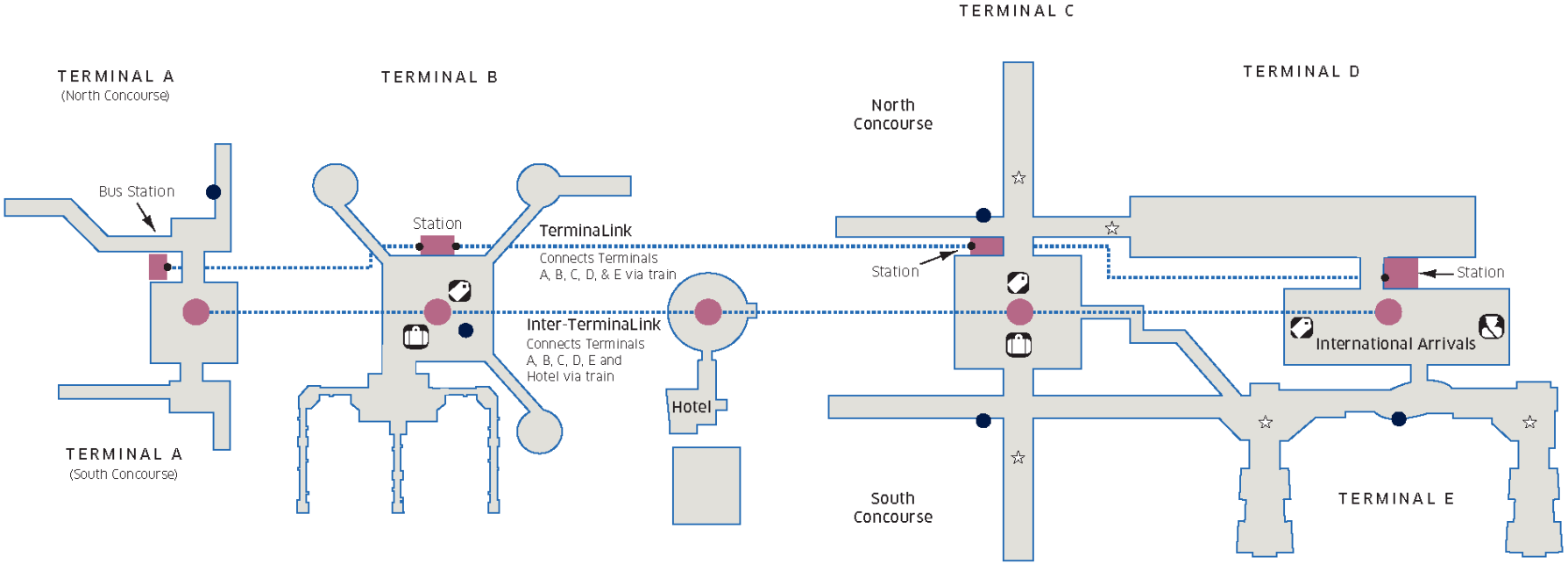
The drawing on the following page shows the current layout of the Airport's passenger terminals, including the aircraft gates and hardstand aircraft parking positions currently available to United in each terminal.

United at Terminal A North
4 Gates
7 Hard Stands

United at Terminal B North
16 Gates
14 Hard Stands

United at Terminal C North
14 Gates

United at Terminal D
Common use rights to gates



United at Terminal B South
30 Gates

United at Terminal C South
15 Gates

United at Terminal E
23 Gates

United Club℠
Kiosk Check-in/Customer Service Center
Ticket/Check-in
Baggage Claim
Immigration
Bus, Monorail or Train Transport

Existing Airport Passenger Terminal Layout

United's Other Facilities at the Airport

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

THE TERMINAL E PROJECT AND RELATED LEASE ARRANGEMENTS

Description of the Terminal E Project

The Terminal E Project, United's rental payments for which will constitute the primary security for the Bonds, consists of an approximately 625,000 square foot international passenger terminal building at the Airport known as Terminal E, which includes a passenger concourse and boarding area containing 23 aircraft gates and various retail shops and concessions. The Terminal E Project also includes an approximately 100,000 square foot ticketing/check-in facility, baggage system facilities, certain airside improvements (such as aircraft ramp/parking areas and a fuel distribution system), a garage check-in facility, and certain ancillary improvements. Most of United's international flight operations at the Airport are operated out of Terminal E, as are many of United's domestic flight operations.

As described above under the heading "INTRODUCTION," the Terminal E Project was constructed in two Phases. The first Phase, substantially completed in 2004, included United Project Components consisting of the passenger concourse and boarding area of Terminal E and a garage check-in facility, and City Project Components consisting of an aircraft ramp/parking area surrounding Terminal E, a fuel distribution system, and certain utilities infrastructure for Terminal E. The second Phase, substantially completed in 2005, included the ticketing/check-in area of the new terminal (the "Central Ticketing Lobby"), baggage system facilities and related improvements. The interior construction of the Central Ticketing Lobby, as well as the baggage system facilities, were United Project Components. The exterior of the Central Ticketing Lobby, together with certain passenger bridges between buildings and a baggage tunnel connecting the Central Ticketing Lobby to United's baggage system, were City Project Components.

Operation of the Terminal E Project Under the Lease

All of the Terminal E Project is owned by the City and has been leased by the City to United pursuant to the Lease. Under the terms of the Lease, United has exclusive use of Terminal E (including all 23 of its aircraft gates) and of the other components of the Terminal E Project, except with respect to the aircraft parking areas on the Terminal E apron, of which United has preferential use.

Term. The term of the Lease will end on January 31, 2030 (which is beyond the final scheduled maturity of the Bonds), unless terminated earlier on account of an event of default thereunder. (For a description of potential events of default under the Lease, see Appendix C—"Certain Provisions of the Lease—Article 10—Events of Default and Remedies.") United has the option to extend the term of the Lease for an additional five-year period, subject to certain requirements and conditions.

Rentals. Under the Lease, for so long as any Bonds remain outstanding, United is obligated to pay Special Facilities Payments to the Trustee, as assignee of the City, in an amount that, together with certain amounts on deposit in the Interest and Redemption Fund established under the Trust Indenture, is sufficient to pay as and when due the principal of, premium, if any, and interest on outstanding Bonds.

In addition, under the Lease, United is obligated to pay directly to the City certain Ground Rentals for the right to use and occupy the ground areas underlying the United Project Components, certain City Charges with respect to operating and maintenance expenses and other charges in connection with the Terminal E Project, and certain Landing Fees based on the total landed weight of United's aircraft operating at the Airport. United is

also obligated to pay additional rentals to the City with respect to Terminal A under the Terminal A Lease, with respect to Terminals B and C under the Terminal B and C Lease, with respect to Terminal C under the Use and Lease Agreement, and with respect to Terminal D under the International Facilities Agreement. United's payments of the Special Facilities Payments under the Lease, but not the Ground Rentals, City Charges, Landing Fees, or any other rentals under agreements other than the Lease, will constitute the principal security for the Bonds. See "SECURITY FOR THE BONDS—Special Facilities Payments" herein.

THE BONDS

General

The Bonds will be issued in the original aggregate principal amount of $308,660,000. The Bonds will be issued in denominations of $100,000 or any integral multiple of $5,000 in excess thereof.

The Bonds will mature on the dates and in the principal amounts, and bear interest at the rates per annum, shown on the inside cover page hereto. Interest on each Bond will accrue from the date of initial delivery of the Bonds, payable on each January 1 and July 1, commencing January 1, 2015, until maturity or earlier redemption. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will mature on their stated dates unless redeemed prior to such dates, as described herein. For as long as the Bonds are book-entry bonds, as described in Appendix E–"Book-Entry-Only System," payment of the principal of, premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given in accordance with DTC's operational arrangements. If, in the future, the Bonds cease to be book-entry bonds, the principal of any Bond will be payable, on presentation and surrender of such Bond, in lawful money of the United States of America, without exchange or collection charges to the registered owner of such Bond, at the corporate trust office of the Trustee, as the paying agent for the Bonds. All interest accruing prior to maturity on any Bond that ceases to be a book-entry bond shall be paid by check mailed to the registered owner of such Bond as of December 15 (with respect to interest payments on the following January 1) or June 15 (with respect to interest payments on the following July 1) , at such registered owner's address as it appears on the registration books of the Trustee.

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

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

Optional Redemption

The Bonds maturing on July 1, 2029 may be redeemed at the option of the City, upon the request of United, prior to their stated maturity in whole or in part at any time on or after July 1, 2024, for an amount equal to the accrued interest thereon to the date fixed for redemption, plus a redemption price equal to 100% of the principal amount of the Bonds to be redeemed. The Bonds maturing on July 1, 2020 and July 1, 2024 are not subject to optional redemption.

Mandatory Sinking Fund Redemption

The Bonds maturing on July 1 in the years 2024 and 2029 are subject to mandatory redemption prior to maturity in the following amounts (subject to reduction as described below), on the following dates ("Mandatory Redemption Dates"), at a price equal to the principal amount of the Bonds to be redeemed plus accrued interest to (but not including) the applicable Mandatory Redemption Date, subject to the conditions described below:

$104,515,000 Term Bond Maturing July 1, 2024

Mandatory Redemption Date (July 1)	Principal Amount to be Redeemed
2021	$35,590,000
2022	11,520,000
2023	28,015,000
2024*	29,390,000

*Maturity

$169,965,000 Term Bond Maturing July 1, 2029

Mandatory Redemption Date (July 1)	Principal Amount to be Redeemed
2025	$30,600,000
2026	32,395,000
2027	33,830,000
2028	35,690,000
2029*	37,450,000

*Maturity

On or before 30 days prior to each Mandatory Redemption Date, the Trustee shall (i) determine the principal amount of the Bonds of the particular maturity and interest rate that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account all prior deliveries for cancellation (including redemptions) as described below, (ii) select, by lot or other customary random method (subject to DTC operational requirements for Bonds held by DTC), the Bonds or portions of Bonds to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided below.

In addition to credits for redemptions of Bonds as described under "—Redemption Procedures" below, the principal amount of Bonds to be mandatorily redeemed on a Mandatory Redemption Date may be reduced, at the option of the City upon direction from United, by the principal amount of the Bonds of the same maturity that have been purchased in the open market and delivered or tendered to the Trustee for cancellation by the 45th day prior to the Mandatory Redemption Date for such year.

Extraordinary Required Redemption

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

(i) in whole or in part, in the event that all or any part of the United Project Components are damaged or destroyed, or taken or condemned in any eminent domain or like proceeding, from such insurance proceeds or condemnation awards as may be provided pursuant to the Lease, to the extent such insurance or condemnation proceeds are not used to rebuild such United Project Components (see "SECURITY FOR THE BONDS—Insurance Proceeds, Condemnation Awards and Related Matters" below);

(ii) in whole or in part, if United determines, as evidenced by a resolution adopted by its Board of Directors in its sole discretion, that the continued operation of the Terminal E Project or the United Project Components, or a substantial portion of the Terminal E Project or the United Project Components, is impractical, uneconomical or undesirable for any reason, provided that United shall have deposited sufficient funds with the Trustee to be deposited in the Extraordinary Redemption Account to accomplish such a redemption; or

(iii) in whole or in part, at any time not later than 120 days after interest on Bonds shall be finally determined, upon the basis of a ruling of the Internal Revenue Service (which ruling is not challenged by appropriate proceedings) or a final determination by a court of competent jurisdiction (which is not or cannot be appealed), to be includable in gross income for federal income tax purposes (except with respect to interest on any Bond during such time that it is held by any registered owner who is a "substantial user" of the facilities financed or refinanced with the proceeds of such Bonds or a "related person" to such substantial user, as such terms are used in Section 103(b) of the Internal Revenue Code of 1986 (the "Code"), as amended) as a result of the failure of United to comply with its obligations under the Lease (a "Determination of Taxability"). The Bonds will be redeemed in whole upon a Determination of Taxability, unless in the opinion of nationally recognized bond counsel, redemption of a portion of such Bonds would have the result that interest payable on the remaining Bonds outstanding after the redemption would not be so included in gross income for federal income tax purposes, in which event only such portion will be redeemed.

Redemption Procedures

Notice of any optional or extraordinary required redemption of Bonds shall be given by the City in writing to the Trustee not less than 45 days before the date fixed for redemption, or such shorter period as may be acceptable to the Trustee. Notice of any optional, mandatory or extraordinary required redemption, identifying the Bonds to be redeemed, will be given by the Trustee in writing to the holders of all of the Bonds to be so redeemed not less than 30 days before the date fixed for such redemption. By the date fixed for redemption, due provision shall be made by the City with the Trustee for the payment of the applicable redemption price of the Bonds to be redeemed. If such written notice is given, and if due provision for such payment is made, the Bonds that are to be so redeemed shall automatically be redeemed, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid by the Trustee with the funds so provided for such payment.

Each notice of optional redemption may state that the proposed redemption is contingent upon a deposit of funds sufficient to pay the Bonds scheduled to be redeemed prior to maturity. If due provision for such payment is not made by the date fixed for redemption, the Bonds shall continue to bear interest and remain outstanding and such redemption notice shall have no effect.

In the event of any optional redemption of less than all of the Bonds, the particular maturity and principal amount of Bonds to be redeemed shall be selected by United, or if not so selected then by lot or other customary method determined by the Trustee (subject to DTC operational requirements for Bonds held by DTC), and the reduction in principal amount of Bonds to be mandatorily redeemed on any Mandatory Redemption Date as a result of any such redemption shall be made as provided under the subheading "—Mandatory Sinking Fund Redemption" above. In the event of any extraordinary required redemption of less than all of the Bonds outstanding, the particular Bonds to be redeemed shall be determined by the Trustee, allocating the principal amount to be redeemed as nearly as feasible pro rata among the maturities (and among mandatory redemption requirements within maturities) and interest rates of all Bonds (subject to DTC operational requirements for Bonds held by DTC). A partial redemption of Bonds processed through DTC will be treated, in accordance with DTC's rules and procedures, as a "Pro Rata Pass-Through Distribution of Principal." The portion of any Bonds to be redeemed shall be in integral multiples of $5,000, provided that no such redemption shall leave any Bond outstanding in an amount less than the minimum authorized denomination of $100,000.

SECURITY FOR THE BONDS

Pursuant to the Trust Indenture, the City has assigned to the Trustee, for the benefit of the holders of the Bonds, and to secure the due payment of the principal of, premium, if any, and interest on the Bonds (and on any Additional Bonds and bonds issued pursuant to the Trust Indenture to refund any Bonds or Additional Bonds ("Refunding Bonds")), all of its right, title and interest in and to certain Pledged Revenues, including (i) all Special Facilities Payments received or receivable from United by the City under the Lease, (ii) certain net receipts derived by the City from the exercise of any right, obligation or remedy specified or permitted by the Lease, including the potential reletting of the Special Facilities and related ground areas to a replacement tenant or tenants following an event of default by United under the Lease, (iii) any insurance proceeds and condemnation awards payable to the City and related to the United Project Components and (iv) any amounts on deposit in certain funds and accounts held by the Trustee under the Trust Indenture, including, without limitation, the Interest and Redemption Fund.

The Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City's Home Rule Charter and shall not be general obligations of the City. The holders of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the airport system.

AN INVESTMENT IN THE BONDS INVOLVES SIGNIFICANT RISKS. See "CERTAIN BONDOWNERS' RISKS" herein.

A more detailed description of certain of the Pledged Revenues and other matters related to the security for the Bonds follows.

Special Facilities Payments

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

The Lease provides that United's obligation to make payments of Special Facilities Payments when due is absolute and unconditional and will not be subject to any right of recoupment or offsets and will continue in any event.

United shall pay the Special Facilities Payments to the City by depositing such funds directly with the Trustee for the account of the Interest and Redemption Fund under the Trust Indenture. United is also obligated under the Lease to pay to the City certain Ground Rentals with respect to the ground areas underlying the United Project Components, certain City Charges with respect to operating and maintenance expenses and other charges in connection with the Terminal E Project, and certain Landing Fees based on the total landed weight of United's aircraft operating at the Airport. United will also continue to be obligated to pay other additional rentals to the City under its separate lease agreements with the City with respect to Terminals A, B, C, and D. Such Ground Rentals, City Charges, Landing Fees and other additional rentals will <u>not</u> be part of the Pledged Revenues under the Trust Indenture and will <u>not</u> constitute security for the Bonds. See Appendix C—"Certain Provisions of the Lease—Article 6—Special Facilities Payments; Other Rent and Charges."

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

Reletting

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

All gross proceeds derived by the City from any charges and/or rents (net of City Charges and any Ground Rentals attributable to the period after such reletting commences, and up to the amount of all Special Facilities Payments payable under the Lease) shall be remitted to the Trustee for deposit in the Interest and Redemption Fund to support repayment of the Bonds, and constitute part of the Pledged Revenues securing repayment of the Bonds. See Appendix C—"Certain Provisions of the Lease—Article 10—Events of Default and Remedies." See also Appendix B—"Summary of Certain Provisions of the Trust Indenture—Selected Definitions from the Trust Indenture—Pledged Revenues." The amount of any deductions from reletting proceeds for City Charges and Ground Rentals cannot be predicted at this time, may vary from year to year, and could be material in any year (depending, among other things, on market conditions affecting reletting proceeds at the time reletting occurs).

Notwithstanding the foregoing, certain legal and practical considerations could inhibit or materially delay the City's ability to relet the Special Facilities, or otherwise derive sufficient receipts therefrom in order to make all payments when due in respect of the Bonds. See "CERTAIN BONDOWNERS' RISKS—Limitations Upon City's Ability to Relet the Special Facilities." and "—Possible Limitations on Damages Against United Upon a United Bankruptcy" herein.

Guaranty

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

Insurance Proceeds, Condemnation and Related Matters

Pursuant to the Lease, United is obligated to provide and maintain all-risk property insurance covering the Special Facilities in an amount not less than the full replacement cost.

If any Special Facilities are subject to a casualty or condemnation, any related insurance or condemnation proceeds shall be disbursed to the Trustee for deposit in a Construction Account established under the Indenture. Thereafter, United would be required to fully repair and reconstruct the affected Special Facilities with such insurance or condemnation proceeds and use its own funds to pay for any deficiency if such proceeds are

insufficient for such purpose. Any excess insurance or condemnation proceeds not used for the repair and reconstruction of the affected Special Facilities would be transferred to the Interest and Redemption Fund as a credit to the next due payments of Special Facilities Payments. Alternatively, if the insurance and condemnation proceeds initially received and any other available amounts then held by the Trustee under the Trust Indenture (including any amounts that United could elect to contribute if the damage or loss were substantial) were sufficient to redeem all (but not less than all) of the then-outstanding Bonds, United could elect to cause all Bonds to be redeemed by extraordinary required redemption and the Lease would thereafter terminate. See Appendix C—"Certain Provisions of the Lease—Article 9—Liability, Insurance and Condemnation" and "THE BONDS—Extraordinary Required Redemption" above.

The City is required to provide and maintain fire and extended coverage insurance equal to at least 80% of the insurable value of the City Project Components, if such coverage is available. The City must apply insurance proceeds received on account of any damage to or destruction of the City Project Components to repair, construct or replace the damaged or destroyed property.

Additional Bonds

For the purpose of paying costs associated with any extensions, modifications or expansions of the United Project Components and any other Special Facilities not fully funded with proceeds of the Series 2001 Bonds, the City may effect the issuance of one or more series of Additional Bonds (on a parity with the Bonds with respect to all Pledged Revenues and the Guaranty) or Additional Obligations (on a parity with the Bonds only with respect to any Net Reletting Revenues but not the Guaranty), subject only to certain limited conditions specified in the Trust Indenture and the Lease. The City may also issue Refunding Bonds, subject to the conditions of the Trust Indenture and the Lease. See APPENDIX B—"Certain Provisions of the Trust Indenture—Article VI—Additional Bonds, Additional Obligations and Refunding Bonds" and APPENDIX C—"Certain Provisions of the Lease—Article 4—Issuance of Special Facilities Bonds; Payment of Costs of the Lessee Project Components."

UNITED AIRLINES, INC.

General

United transports people and cargo through its mainline operations, which utilize jet aircraft with at least 114 seats, and regional operations, which utilize smaller aircraft that are operated under contract by United Express carriers. United serves major markets around the world, either directly or through participation in Star Alliance®, the world's largest airline alliance. United operates an average of more than 5,300 flights a day to more than 360 airports across six continents. The principal executive offices of UAL and United are located at 233 S. Wacker Drive, Chicago, Illinois 60606, telephone (872) 825-4000.

Alliances

United has a number of strategic bilateral and multilateral alliances with other airlines, including marketing alliances and joint ventures, which enhance travel options for customers by providing greater time of day coverage to common destinations, additional mileage accrual and redemption opportunities, and expanded global network access. These marketing alliances typically include one or more of the following features: loyalty program reciprocity; codesharing of flight operations (whereby seats on one carrier's selected flights can be marketed under the brand name of another carrier); coordination of reservations, ticketing, passenger check-in, baggage handling, airport lounge access and flight schedules, and other resource-sharing activities that include joint sales and marketing.

United is a member of Star Alliance®, a global integrated airline network co-founded by Old United in 1997 and the largest and most comprehensive airline alliance in the world. As of April 1, 2014, Star Alliance® carriers served 1,269 destinations in 193 countries with over 18,043 daily flights. Current Star Alliance® members, in addition to United, are Adria Airways, Aegean Airlines, Air Canada, Air China, Air New Zealand, All Nippon Airways ("ANA"), Asiana Airlines, Austrian Airlines, Avianca, Brussels Airlines, Copa Airlines, Croatia Airlines, EGYPTAIR, Ethiopian Airlines, EVA Air, LOT Polish Airlines, Lufthansa, SAS Scandinavian Airlines,

Shenzhen Airlines, Singapore Airlines, South African Airways, SWISS, TAP Portugal, THAI Airways International, and Turkish Airlines. On December 9, 2013, US Airways and American Airlines closed their merger transaction and, as a result, US Airways exited Star Alliance® on March 30, 2014. Following TAM Airlines' merger with LAN Airlines, TAM Airlines also exited Star Alliance® on March 30, 2014. In addition, in late 2013, Star Alliance® announced it would recommence integration activities with Air India following the cessation of such activities in July 2011. A joining date for Air India has yet to be determined.

United has a variety of bilateral commercial alliance agreements and obligations with Star Alliance® members, addressing, among other things, reciprocal earning and redemption of frequent flyer miles and access to airport lounges and, with certain Star Alliance® members, codesharing of flight operations. In addition to the alliance agreements with Star Alliance® members, United currently maintains independent marketing alliance agreements with other air carriers currently unaffiliated with a global alliance, including Aeromar, Aer Lingus, Azul Linhas Aéreas Brasileiras, Cape Air, Great Lakes Airlines, Silver Airways, Hawaiian Airlines, Island Air, and Jet Airways. United also offers a train-to-plane alliance with Amtrak from Newark Liberty International Airport to select regional destinations.

United also participates in joint ventures, one with Air Canada and the Lufthansa Group (which includes Lufthansa and its affiliates Austrian Airlines, Brussels Airlines and SWISS) covering transatlantic routes, and another with ANA covering certain transpacific routes. These joint ventures enable the participating carriers to integrate the services they provide in the respective regions, capturing revenue synergies and delivering highly competitive flight schedules, fares and services. The European Commission conducted a standard review of the competitive effects of United's transatlantic joint venture and closed its review in May 2013.

Regional Operations

United has contractual relationships with various regional carriers to provide regional jet and turboprop service branded as United Express. These regional operations are an extension of United's mainline network. This regional service complements United's operations by carrying traffic that connects to its mainline service and allows flights to smaller cities that cannot be provided economically with mainline aircraft. Chautauqua Airlines, Republic Airlines, CommutAir Airlines, ExpressJet Airlines, GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines ("SkyWest") and Trans States Airlines ("Trans States") are all regional carriers, which operate most of their capacity contracted to United under capacity purchase agreements with United. Under these capacity purchase agreements, United pays the regional carriers contractually-agreed fees (carrier-controlled costs) for operating these flights plus a variable reimbursement (incentive payment for superior operational performance) based on agreed performance metrics.

While the regional carriers operating under capacity purchase agreements comprise more than 95% of all regional flights, United also has prorate agreements with Hyannis Air Service, Inc., Silver Airways, SkyWest and Trans States. Under these commercial flying agreements, United and its regional carriers agree to divide revenue collected from each passenger according to a formula, while both United and its regional carriers are individually responsible for their own costs of operations. Unlike capacity purchase agreements, under a prorate agreement, the regional carrier retains the control and risk of scheduling, and in most cases, market selection, local seat pricing and inventory for its flights, although United and its regional carriers may coordinate schedules to maximize connections.

Additional Information

United is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith, files reports and other information with the SEC, which may be in the form of combined reports reflecting information about both United and UAL. Certain information with respect to United and UAL is furnished herein and in Appendix A hereto and incorporated therein by reference to materials on file with the SEC. See Appendix A—"Availability of Certain Information Relating to United Airlines, Inc." Such information has been provided by United and has not been independently verified by the City or the Underwriters, and neither the City nor the Underwriters make any representations or warranties, express or implied, as to the accuracy or completeness of such information. **No information from the commercial website of United is incorporated by reference into this document.**

CERTAIN BONDOWNERS' RISKS

The following section describes certain risk factors affecting the payment of and security for the Bonds. The following discussion is not meant to be an exhaustive list of all the risks associated with the purchase of any Bonds and does not necessarily reflect the relative importance of the various risks. In evaluating the Bonds, potential investors are advised to consider the following risk factors along with all other information described elsewhere or incorporated by reference in this Official Statement.

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

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

Risk Factors Relating to United

Continued periods of historically high fuel prices or significant disruptions in the supply of aircraft fuel could have a material adverse impact on the Company's operating results, financial position and liquidity.

Aircraft fuel has been the Company's single largest operating expense for the last several years. The availability and price of aircraft fuel significantly affect the Company's operations, results of operations, financial position and liquidity. While the Company has been able to obtain adequate supplies of fuel under various supply contracts and has some ability to store fuel close to major hub locations to ensure supply continuity in the short term, the Company cannot predict the continued future availability or price of aircraft fuel.

Continued volatility in fuel prices may negatively impact the Company's liquidity or financial position in the future. Aircraft fuel prices can fluctuate based on a multitude of factors including market expectations of supply and demand balance, inventory levels, geopolitical events, economic growth expectations, fiscal/monetary policies and financial investment flows. The Company may not be able to increase its fares or other fees if fuel prices rise in the future and any such fare or fee increases may not be sustainable in the highly competitive airline industry. In addition, any increases in fares or other fees may not sufficiently offset the full impact of such increases in fuel prices and may also reduce the general demand for air travel.

To protect against increases in the prices of aircraft fuel, the Company routinely hedges a portion of its future fuel requirements. However, the Company's hedging program may not be successful in controlling fuel costs, and price protection provided may be limited due to market conditions and other factors. To the extent that the Company uses hedge contracts that have the potential to create an obligation to pay upon settlement if prices decline significantly, including swaps or sold put options as part of a collar, such hedge contracts may limit the Company's ability to benefit from lower fuel costs in the future. If fuel prices decline significantly from the levels existing at the time the Company enters into a hedge contract, the Company may be required to post collateral (margin) with its hedge counterparties beyond certain thresholds. Also, lower fuel prices may result in increased industry capacity and lower fares in general. There can be no assurance that the Company's hedging arrangements will provide any particular level of protection against rises in fuel prices or that its counterparties will be able to perform under the Company's hedging arrangements. Additionally, deterioration in the Company's financial condition could negatively affect its ability to enter into new hedge contracts in the future and may potentially require the Company to post increased amounts of collateral under its fuel hedging agreements.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and regulations promulgated by the Commodity Futures Trading Commission (the "CFTC") require centralized clearing for over-the-counter derivatives and record-keeping and reporting requirements that are applicable to the Company's fuel hedge contracts. The UAL Board of Directors ("Board of Directors") has approved the Company's election of the CFTC's end-user exception, which permits the Company as a non-financial end user of derivatives to hedge

commercial risk and be exempt from the CFTC mandatory clearing requirements. However, several of the Company's hedge counterparties are also subject to these requirements, which may raise the counterparties' costs. Those increased costs may in turn be passed on to the Company, resulting in increased transaction costs to execute hedge contracts and lower credit thresholds to post collateral (margin).

See Note 10 to the financial statements included in Part II, Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2013 (the "2013 Annual Report") for additional information on the Company's hedging programs.

Economic and industry conditions constantly change and unfavorable global economic conditions may have a material adverse effect on the Company's business and results of operations.

The Company's business and results of operations are significantly impacted by general economic and industry conditions. The airline industry is highly cyclical, and the level of demand for air travel is correlated to the strength of the U.S. and global economies. Robust demand for the Company's air transportation services depends largely on favorable economic conditions, including the strength of the domestic and foreign economies, low unemployment levels, strong consumer confidence levels and the availability of consumer and business credit.

Air transportation is often a discretionary purchase that leisure travelers may limit or eliminate during difficult economic times. In addition, during periods of unfavorable economic conditions, business travelers usually reduce the volume of their travel, either due to cost-saving initiatives or as a result of decreased business activity requiring travel. During such periods, the Company's business and results of operations may be adversely affected due to significant declines in industry passenger demand, particularly with respect to the Company's business and premium cabin travelers, and a reduction in fare levels.

Stagnant or weakening global economic conditions either in the United States or in other geographic regions, and any future volatility in U.S. and global financial and credit markets may have a material adverse effect on the Company's revenues, results of operations and liquidity. If such economic conditions were to disrupt capital markets in the future, the Company may be unable to obtain financing on acceptable terms (or at all) to refinance certain maturing debt and to satisfy future capital commitments.

The Company is subject to economic and political instability and other risks of doing business globally.

The Company is a global business with operations outside of the United States from which it derives approximately 40% of its operating revenues, as measured and reported in the 2013 Annual Report. The Company's operations in Asia, Europe, Latin America, Africa and the Middle East are a vital part of its worldwide airline network. Volatile economic, political and market conditions in these international regions may have a negative impact on the Company's operating results and its ability to achieve its business objectives. In addition, significant or volatile changes in exchange rates between the U.S. dollar and other currencies, and the imposition of exchange controls or other currency restrictions, may have a material adverse impact upon the Company's liquidity, revenues, costs and operating results.

Most recently, economic instability in Venezuela resulting in exchange rate changes that apply to the Company's funds held in Venezuelan bolivars have caused the Company to record $21 million of foreign exchange losses during the three months ended March 31, 2014. In addition, the Company had approximately $100 million of its unrestricted cash balance held in Venezuelan bolivars as of March 31, 2014. The Company has not been able to repatriate its funds from Venezuela since January 2013, and there can be no assurance that the Company will be able to repatriate any or all of the funds held in Venezuelan bolivars in the future. Additionally, the amount and exchange rate at which the balance of funds will be repatriated are not certain at this time. If economic instability and devaluation of the local currency continue for a period of time in Venezuela, such conditions may have an adverse impact on the Company's business.

Inadequate liquidity or a negative impact on the Company's liquidity from factors beyond the Company's control may have a material adverse effect on the Company's financial position and business.

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

Although the Company's cash flows from operations and its available capital, including the proceeds from financing transactions, have been sufficient to meet these obligations and commitments to date, the Company's future liquidity could be negatively impacted by the risk factors discussed herein, including, but not limited to, substantial volatility in the price of fuel, adverse economic conditions, disruptions in the global capital markets and catastrophic external events.

If the Company's liquidity is constrained due to the various risk factors noted herein or otherwise, the Company might not be able to timely pay its debts or comply with certain operating and financial covenants under its financing and credit card processing agreements or with other material provisions of its contractual obligations. These covenants require the Company or United, as applicable, to maintain minimum liquidity and/or minimum collateral coverage ratios, depending on the particular agreement. The Company's ability to comply with these covenants may be affected by events beyond its control, including the overall industry revenue environment, the level of fuel costs and the appraised value of certain collateral.

If the Company does not timely pay its debts or comply with such covenants, a variety of adverse consequences could result. These potential adverse consequences include an increase of required reserves under credit card processing agreements, withholding of credit card sale proceeds by its credit card service providers, loss of undrawn lines of credit, occurrence of an event of default under the relevant agreement(s), acceleration of the maturity of debt and/or exercise of other remedies by its creditors and equipment lessors that could result in a material adverse effect on the Company's financial position and results of operations. The Company cannot provide assurance that it would have sufficient liquidity to repay or refinance such debt if it were accelerated. In addition, an event of default or declaration of acceleration under certain of its financing agreements could result in an event of default under certain of the Company's other financing agreements due to cross default and cross acceleration provisions.

Furthermore, constrained liquidity may limit the Company's ability to withstand competitive pressures and limit its flexibility in responding to changing business and economic conditions, including increased competition and demand for new services, placing the Company at a disadvantage when compared to its competitors that have less debt, and making the Company more vulnerable than its competitors who have less debt to a downturn in the business, industry or the economy in general.

The Company's substantial level of indebtedness and non-investment grade credit rating, as well as market conditions and the availability of assets as collateral for loans or other indebtedness, may make it difficult for the Company to raise additional capital to meet its liquidity needs on acceptable terms, or at all.

See Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of the 2013 Annual Report and the Company's Quarterly Report on Form 10-Q for the quarter ended

March 31, 2014 for further information regarding the Company's liquidity.

Extensive government regulation could increase the Company's operating costs and restrict its ability to conduct its business.

Airlines are subject to extensive regulatory and legal oversight. Compliance with U.S. and international regulations imposes significant costs and may have adverse effects on the Company. Laws, regulations, taxes and airport rates and charges, both domestically and internationally, have been proposed from time to time that could significantly increase the cost of airline operations or reduce airline revenue. The Company cannot provide

any assurance that current laws and regulations, or laws or regulations enacted in the future, will not adversely affect its financial condition or results of operations.

United provides air transportation under certificates of public convenience and necessity issued by the DOT. If the DOT altered, amended, modified, suspended or revoked these certificates, it could have a material adverse effect on the Company's business. The DOT is also responsible for promulgating consumer protection and other regulations such as the rule against lengthy tarmac delays, that will impose significant compliance costs on the Company. The Federal Aviation Administration (the "FAA") regulates the safety of United's operations. United operates pursuant to an air carrier operating certificate issued by the FAA. On January 4, 2014, the FAA's new and more stringent pilot flight and duty time requirements under Part 117 of the Federal Aviation Regulations took effect, which will disrupt operations and increase costs. In August 2013, the FAA significantly increased the minimum qualifications for air carrier first officers. These new regulations impact the Company and its regional partner flying, as they have caused mainline airlines to hire regional pilots, while simultaneously significantly reducing the pool of new pilots from which regional carriers themselves can hire. Although this is an industry issue, it directly affects the Company and requires it to reduce regional partner flying, as several regional partners are beginning to have difficulty flying their schedules due to reduced new pilot availability. From time to time, the FAA also issues orders, airworthiness directives and other regulations relating to the maintenance and operation of aircraft that require material expenditures or operational restrictions by the Company. These FAA orders and directives could include the temporary grounding of an entire aircraft type if the FAA identifies design, manufacturing, maintenance or other issues requiring immediate corrective action. FAA requirements cover, among other things, retirement of older aircraft, security measures, collision avoidance systems, airborne windshear avoidance systems, noise abatement and other environmental concerns, aircraft operation and safety and increased inspections and maintenance procedures to be conducted on older aircraft. These FAA directives or requirements could have a material adverse effect on the Company. Also, the Occupational Safety and Health Administration's regulatory programs for hazard communication, hearing conservation and blood borne pathogens in the areas of cabin crewmember safety and health, which began in March 2014, is expected to expose the Company to increased regulatory requirements in the aircraft cabin, with associated increased costs and the possibility for operational impacts.

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

The airline industry is subject to extensive federal, state and local taxes and fees that increase the cost of the Company's operations. In addition to taxes and fees that the Company is currently subject to, proposed taxes and fees are currently pending and if imposed, would increase the Company's operating expenses. The Bipartisan Budget Act of 2013, signed into law on December 26, 2013, increases the September 11th security fee, effective July 1, 2014. The increase is expected to result in over $3 billion in additional taxation on the industry over the next decade and may result in higher fares and lower demand for air travel.

Access to landing and take-off rights, or "slots," at several major U.S. airports and many foreign airports served by the Company are, or recently have been, subject to government regulation. Certain of the Company's major hubs are among increasingly congested airports in the United States and have been or could be the subject of regulatory action that might limit the number of flights and/or increase costs of operations at certain times or throughout the day. The FAA may limit the Company's airport access by limiting the number of departure and arrival slots at high density traffic airports, which could affect the Company's ownership and transfer rights, and local airport authorities may have the ability to control access to certain facilities or the cost of access to its facilities, which could have an adverse effect on the Company's business. The FAA historically has taken actions with respect to airlines' slot holdings that airlines have challenged; if the FAA were to take actions that adversely affect the Company's slot holdings, the Company could incur substantial costs to preserve its slots. Further, the Company's operating costs at airports at which it operates, including the Company's major hubs, may increase significantly

because of capital improvements at such airports that the Company may be required to fund, directly or indirectly. In some circumstances, such costs could be imposed by the relevant airport authority without the Company's approval and may have a material adverse effect on the Company's financial condition.

The ability of carriers to operate flights on international routes between airports in the United States and other countries may be subject to change. Applicable arrangements between the United States and foreign governments may be amended from time to time, government policies with respect to airport operations may be revised, and the availability of appropriate slots or facilities may change. The Company currently operates a number of flights on international routes under government arrangements, regulations or policies that designate the number of carriers permitted to operate on such routes, the capacity of the carriers providing services on such routes, the airports at which carriers may operate international flights, or the number of carriers allowed access to particular airports. Any further limitations, additions or modifications to such arrangements, regulations or policies could have a material adverse effect on the Company's financial position and results of operations. Additionally, a change in law, regulation or policy for any of the Company's international routes, such as open skies, could have a material adverse impact on the Company's financial position and results of operations and could result in the impairment of material amounts of related tangible and intangible assets. In addition, competition from revenue-sharing joint ventures and other alliance arrangements by and among other airlines could impair the value of the Company's business and assets on the open skies routes. The Company's plans to enter into or expand U.S. antitrust immunized alliances and joint ventures on various international routes are subject to receipt of approvals from applicable U.S. federal authorities and obtaining other applicable foreign government clearances or satisfying the necessary applicable regulatory requirements. There can be no assurance that such approvals and clearances will be granted or will continue in effect upon further regulatory review or that changes in regulatory requirements or standards can be satisfied.

Many aspects of the Company's operations are also subject to increasingly stringent federal, state, local and international laws protecting the environment. Future environmental regulatory developments, such as climate change regulations in the United States and abroad could adversely affect operations and increase operating costs in the airline industry. There are certain climate change laws and regulations that have already gone into effect and that apply to the Company, including the European Union Emissions Trading Scheme (which is subject to international dispute), the State of California's cap and trade regulations, environmental taxes for certain international flights, limited greenhouse gas reporting requirements and land-use planning laws which could apply to airports and could affect airlines in certain circumstances. In addition, there is the potential for additional regulatory actions in regard to the emission of greenhouse gases by the aviation industry. The precise nature of future requirements and their applicability to the Company are difficult to predict, but the financial impact to the Company and the aviation industry would likely be adverse and could be significant.

The Company's business and operations may also be impacted by a lack of funding and, in turn, sequestration procedures at the federal government level. In April 2013, for example, the FAA implemented furloughs of air traffic controllers through its capacity reduction plan, resulting in flight delays throughout the United States, including to the Company's flights, until the U.S. Congress passed a bill suspending such furloughs. Although the U.S. Congress allocated resources under the Bipartisan Budget Act of 2013 that is expected to be in effect for the 2014 and 2015 fiscal years, the risk of future lack of funding and related sequestration obligations by the FAA, the Transportation Security Administration, the U.S. Customs and Border Protection or other federal agencies remains, potentially resulting in a material adverse impact on the Company.

See Part I, Item 1, Business - Industry Regulation, of the 2013 Annual Report for further information on government regulation impacting the Company.

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

The Company depends on automated systems and technology to operate its business, including computerized airline reservation systems, flight operations systems, revenue management systems, accounting systems, telecommunication systems and commercial websites, including www.united.com. United's website and other automated systems must be able to accommodate a high volume of traffic, maintain secure information and deliver important flight and schedule information, as well as process critical financial transactions. These systems

could suffer substantial or repeated disruptions due to various events, some of which are beyond the Company's control, including natural disasters, power failures, terrorist attacks, equipment or software failures, computer viruses or cyber security attacks. Substantial or repeated systems failures or disruptions, including failures or disruptions related to the Company's complex integration of systems, could reduce the attractiveness of the Company's services versus those of its competitors, materially impair its ability to market its services and operate its flights, result in the unauthorized release of confidential or otherwise protected information, result in increased costs, lost revenue and the loss or compromise of important data, and may adversely affect the Company's business, results of operations and financial condition.

The Company is subject to increasing legislative and regulatory and customer focus on privacy issues and data security.

The Company is subject to increasing legislative and regulatory and customer focus on privacy issues and data security. A number of the Company's commercial partners, including credit card companies, have imposed data security standards that the Company must meet and these standards continue to evolve. The Company will continue its efforts to meet new and increasing privacy and security standards; however, it is possible that certain new standards may be difficult to meet and could increase the Company's costs. Additionally, any compromise of the Company's technology systems could result in the loss, disclosure, misappropriation of or access to customers', employees' or business partners' information. Any such loss, disclosure, misappropriation or access could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information. Any significant data breach or the Company's failure to comply with applicable U.S. and foreign privacy or data security regulations or security standards imposed by the Company's commercial partners may adversely affect the Company's reputation, business, results of operations and financial condition.

The Company's business relies extensively on third-party service providers. Failure of these parties to perform as expected, or interruptions in the Company's relationships with these providers or their provision of services to the Company, could have an adverse effect on the Company's financial position and results of operations.

The Company has engaged an increasing number of third-party service providers to perform a large number of functions that are integral to its business, including regional operations, operation of customer service call centers, distribution and sale of airline seat inventory, provision of information technology infrastructure and services, provision of aircraft maintenance and repairs, provision of various utilities and performance of aircraft fueling operations, among other vital functions and services. The Company does not directly control these third-party service providers, although it does enter into agreements with many of them that define expected service performance. Any of these third-party service providers, however, may materially fail to meet their service performance commitments to the Company, may suffer disruptions to their systems that could impact their services, or the agreements with such providers may be terminated. For example, flight reservations booked by customers and/or travel agencies via third-party global distribution systems ("GDS") may be adversely affected by disruptions in the business relationships between the Company and GDS operators. Such disruptions, including a failure to agree upon acceptable contract terms when contracts expire or otherwise become subject to renegotiation, may cause the carriers' flight information to be limited or unavailable for display, significantly increase fees for both the Company and GDS users, and impair the Company's relationships with its customers and travel agencies. The failure of any of the Company's third-party service providers to adequately perform their service obligations, or other interruptions of services, may reduce the Company's revenues and increase its expenses or prevent the Company from operating its flights and providing other services to its customers. In addition, the Company's business and financial performance could be materially harmed if its customers believe that its services are unreliable or unsatisfactory.

UAL's obligations for funding United's defined benefit pension plans are affected by factors beyond UAL's control.

The Company maintains two primary defined benefit pension plans, one covering certain pilot employees and another covering certain U.S. non-pilot employees. The timing and amount of UAL's funding requirements under these plans depend upon a number of factors, including labor negotiations with the applicable employee groups and changes to pension plan benefits as well as factors outside of UAL's control, such as the

number of applicable retiring employees, asset returns, interest rates and changes in pension laws. Changes to these and other factors that can significantly increase UAL's funding requirements, such as its liquidity requirements, could have a material adverse effect on UAL's financial condition.

Union disputes, employee strikes or slowdowns, and other labor-related disruptions, as well as the integration of United's workforces in connection with the October 1, 2010 Merger, could adversely affect the Company's operations and could result in increased costs that impair its financial performance.

United is a highly unionized company. As of December 31, 2013, the Company and its subsidiaries had approximately 87,000 active employees, of whom approximately 80% were represented by various U.S. labor organizations.

The successful integration of United's workforces in connection with the Merger and achievement of the anticipated benefits of the combined company depend in part on integrating employee groups and maintaining productive employee relations. In order to fully integrate the pre-Merger represented employee groups, the Company must negotiate a joint collective bargaining agreement covering each combined group. The process for integrating the labor groups is governed by a combination of the Railway Labor Act (the "RLA"), the McCaskill-Bond Amendment, and where applicable, the existing provisions of collective bargaining agreements and union policies. A delay in or failure to integrate employee groups presents the potential for increased operating costs and labor disputes that could adversely affect the Company's operations.

The Company can provide no assurance that a successful or timely resolution of labor negotiations for all amendable collective bargaining agreements will be achieved. There is a risk that unions or individual employees might pursue judicial or arbitral claims arising out of changes implemented as a result of the Merger. There is also a possibility that employees or unions could engage in job actions such as slow-downs, work-to-rule campaigns, sick-outs or other actions designed to disrupt the Company's normal operations, in an attempt to pressure the Company in collective bargaining negotiations. Although the RLA makes such actions unlawful until the parties have been lawfully released to self-help, and the Company can seek injunctive relief against premature self-help, such actions can cause significant harm even if ultimately enjoined. In addition, achieving joint collective bargaining agreements with the Company's represented employee groups is likely to increase the Company's labor costs, which increase could be material.

See Notes 15 and 17 to the financial statements included in Part II, Item 8 of the 2013 Annual Report for more information on labor negotiations and costs.

The airline industry is highly competitive and susceptible to price discounting and changes in capacity, which could have a material adverse effect on the Company.

The U.S. airline industry is characterized by substantial price competition including from low-cost carriers. The significant market presence of low-cost carriers, which engage in substantial price discounting, has diminished the ability of large network carriers to achieve sustained profitability on domestic and international routes.

Airlines also compete for market share by increasing or decreasing their capacity, including route systems and the number of markets served. Several of the Company's domestic and international competitors have increased their international capacity by including service to some destinations that the Company currently serves, causing overlap in destinations served and therefore increasing competition for those destinations. In addition, the Company and certain of its competitors have implemented significant capacity reductions in recent years in response to high and volatile fuel prices and stagnant global economic growth. Further, certain of the Company's competitors may not reduce capacity or may increase capacity, impacting the expected benefit to the Company from capacity reductions. This increased competition in both domestic and international markets may have a material adverse effect on the Company's results of operations, financial condition or liquidity.

The airline industry may undergo further bankruptcy restructuring, industry consolidation or the creation or modification of alliances or joint ventures, any of which could have a material adverse effect on the Company.

The Company faces and may continue to face strong competition from other carriers due to bankruptcy restructuring, industry consolidation and the creation and modification of alliances and joint ventures. A number of carriers have filed for bankruptcy protection in recent years and other domestic and international carriers could restructure in bankruptcy or threaten to do so in the future to reduce their costs. Carriers operating under bankruptcy protection can operate in a manner that could be adverse to the Company and could emerge from bankruptcy as more vigorous competitors.

Both the U.S. and international airline industries have experienced consolidation through a number of mergers and acquisitions. On December 9, 2013, the same date American Airlines emerged from bankruptcy protection, US Airways and American Airlines closed their merger transaction and, as a result of the merger transaction, US Airways exited Star Alliance® on March 30, 2014. The Company is also facing stronger competition from expanded airline alliances and joint ventures. Carriers may improve their competitive positions through airline alliances, slot swaps and/or joint ventures. Certain airline joint ventures further competition by allowing airlines to coordinate routes, pool revenues and costs, and enjoy other mutual benefits, achieving many of the benefits of consolidation. "Open skies" agreements, including the agreements between the United States and the European Union and between the United States and Japan, may also give rise to additional consolidation or better integration opportunities among international carriers.

There is ongoing speculation that further airline consolidations or reorganizations could occur in the future. The Company routinely engages in analysis and discussions regarding its own strategic position, including alliances, asset acquisitions and divestitures and may have future discussions with other airlines regarding strategic activities. If other airlines participate in such activities, those airlines may significantly improve their cost structures or revenue generation capabilities, thereby potentially making them stronger competitors of the Company and potentially impairing the Company's ability to realize expected benefits from its own strategic relationships.

Increases in insurance costs or reductions in insurance coverage may materially and adversely impact the Company's results of operations and financial condition.

Following the terrorist attacks on September 11, 2001, the Company's insurance costs increased significantly and the availability of third-party war risk (terrorism) insurance decreased significantly. The Company has obtained third-party war risk (terrorism) insurance through a special program administered by the FAA. The FAA's statutory authority to provide war risk insurance to air carriers expires on September 30, 2014. An extension of such authority will require legislation by the U.S. Congress. Should the government discontinue this coverage, obtaining comparable coverage from commercial underwriters could result in substantially higher premiums and more restrictive terms. If the Company is unable to obtain adequate third-party war risk (terrorism) insurance, its business could be materially and adversely affected.

If any of the Company's aircraft were to be involved in an accident or if the Company's property or operations were to be affected by a significant natural catastrophe or other event, the Company could be exposed to significant liability or loss. If the Company is unable to obtain sufficient insurance (including aviation hull and liability insurance and property and business interruption coverage) to cover such liabilities or losses, whether due to insurance market conditions or otherwise, its results of operations and financial condition could be materially and adversely affected.

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

An accident, catastrophe, or incident involving an aircraft that the Company operates, or an aircraft that is operated by a codeshare partner or one of the Company's regional carriers, could have a material adverse effect on the Company if such accident, catastrophe, or incident created a public perception that the

Company's operations, or the operations of its codeshare partners or regional carriers, are not safe or reliable, or less safe or reliable than other airlines. Such public perception could in turn result in adverse publicity for the Company, cause harm to the Company's brand and reduce travel demand on the Company's flights, or the flights of its codeshare partners or regional carriers.

In addition, any such accident, catastrophe, or incident could expose the Company to significant tort liability. Although the Company currently maintains liability insurance in amounts and of the type the Company believes to be consistent with industry practice to cover damages arising from any such accident or catastrophe, and the Company's codeshare partners and regional carriers carry similar insurance and generally indemnify the Company for their operations, if the Company's liability exceeds the applicable policy limits or the ability of another carrier to indemnify it, the Company could incur substantial losses from an accident, catastrophe or incident which may result in a material adverse effect on the Company's results of operations or financial position.

The Company's results of operations fluctuate due to seasonality and other factors associated with the airline industry.

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

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

The terrorist attacks on September 11, 2001 involving commercial aircraft severely and adversely impacted the Company's financial condition and results of operations, as well as the prospects for the airline industry. Among the effects experienced from the September 11, 2001 terrorist attacks were substantial flight disruption costs caused by the FAA-imposed temporary grounding of the U.S. airline industry's fleet, significantly increased security costs and associated passenger inconvenience, increased insurance costs, substantially higher ticket refunds and significantly decreased traffic and passenger revenue.

Additional terrorist attacks, even if not made directly on the airline industry, or the fear of or the precautions taken in anticipation of such attacks (including elevated national threat warnings or selective cancellation or redirection of flights) could materially and adversely affect the Company and the airline industry. Wars and other international hostilities could also have a material adverse impact on the Company's financial condition, liquidity and results of operations. The Company's financial resources may not be sufficient to absorb the adverse effects of any future terrorist attacks or other international hostilities.

An outbreak of a disease or similar public health threat could have a material adverse impact on the Company's business, financial position and results of operations.

An outbreak of a disease or similar public health threat that affects travel demand or travel behavior, or travel restrictions or reduction in the demand for air travel caused by an outbreak of a disease or similar public health threat in the future, could have a material adverse impact on the Company's business, financial condition and results of operations.

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

In accordance with applicable accounting standards, the Company is required to test its indefinite-lived intangible assets for impairment on an annual basis on October 1 of each year, or more frequently if conditions indicate that an impairment may have occurred. In addition, the Company is required to test certain of its other assets for impairment if conditions indicate that an impairment may have occurred.

The Company may be required to recognize impairments in the future due to, among other factors, extreme fuel price volatility, tight credit markets, a decline in the fair value of certain tangible or intangible assets, unfavorable trends in historical or forecasted results of operations and cash flows and an uncertain economic environment, as well as other uncertainties. The Company can provide no assurance that a material impairment charge of tangible or intangible assets will not occur in a future period. The value of the Company's aircraft could be impacted in future periods by changes in supply and demand for these aircraft. Such changes in supply and demand for certain aircraft types could result from grounding of aircraft by the Company or other carriers. An impairment charge could have a material adverse effect on the Company's financial position and results of operations.

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

As of December 31, 2013, UAL reported consolidated federal net operating loss ("NOL") carryforwards of approximately $11 billion.

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

There is no assurance that the Company will not experience a future ownership change under Section 382 that may significantly limit or possibly eliminate its ability to use its NOL carryforwards. Potential future transactions involving the sale or issuance of UAL common stock, including the exercise of conversion options under the terms of the Company's convertible debt, repurchase of such debt with UAL common stock, issuance of UAL common stock for cash and the acquisition or disposition of such stock by a stockholder owning 5% or more of UAL common stock, or a combination of such transactions, may increase the possibility that the Company will experience a future ownership change under Section 382.

Under Section 382, a future ownership change would subject the Company to additional annual limitations that apply to the amount of pre-ownership change NOLs that may be used to offset post-ownership change taxable income. This limitation is generally determined by multiplying the value of a corporation's stock immediately before the ownership change by the applicable long-term tax-exempt rate. Any unused annual limitation may, subject to certain limits, be carried over to later years, and the limitation may under certain circumstances be increased by built-in gains in the assets held by such corporation at the time of the ownership change. This limitation could cause the Company's U.S. federal income taxes to be greater, or to be paid earlier, than they otherwise would be, and could cause all or a portion of the Company's NOL carryforwards to expire unused. Similar rules and limitations may apply for state income tax purposes. The Company's ability to use its NOL carryforwards will also depend on the amount of taxable income it generates in future periods. Its NOL carryforwards may expire before the Company can generate sufficient taxable income to use them in full.

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

The Company has contractual relationships with various regional carriers to provide regional jet and turboprop service branded as United Express. These regional operations are an extension of the Company's

mainline network and complement the Company's operations by carrying traffic that connects to mainline service and allows flights to smaller cities that cannot be provided economically with mainline aircraft. The Company's business and operations are dependent on its regional flight network, with regional flights accounting for approximately 13% of the Company's total capacity as of March 31, 2014.

Although the Company has agreements with its regional carriers that include contractually agreed performance metrics, the Company does not control the operations of these carriers. A number of factors may impact the Company's regional network, including weather-related effects and seasonality. In addition, the recent decrease in qualified pilots driven by new federal regulations has adversely impacted and could continue to affect the Company's regional flying. For example, the FAA expansion of new minimum pilot qualification standards, including a requirement that a pilot have at least 1,500 total flight hours, as well as the FAA's recent revised pilot flight and duty time rules, effective January 2014, have contributed to an increasing need for pilots for regional carriers. The decrease in qualified pilots resulting from the new regulations as well as factors including a decreased student pilot population and a shrinking U.S. military from which to hire qualified pilots, could adversely impact the Company's operations and financial condition, and also require the Company to reduce regional partner flying.

If a significant disruption occurs to the Company's regional network or flights or the regional carriers with which the Company has relationships are unable to perform their obligations over an extended period of time, there could be a material adverse effect on the Company's business, financial condition and operations.

Limitations Upon City's Ability to Relet the Special Facilities

Although United's obligation to make Special Facilities Payments is not secured by a leasehold mortgage on the Special Facilities in favor of the bondholders, upon and during an event of default by United under the Lease, the City may (or, in the event of a failure by United to pay Special Facilities Payments when due, is required to) use commercially reasonable efforts to relet the Special Facilities and related ground areas to a replacement tenant or tenants on a net rent basis (i.e., the tenant shall be responsible for all occupancy costs) at a rental rate sufficient to provide for the payment of certain charges, including but not limited to Special Facilities Payments, to the same extent as United is obligated to do so. See "SECURITY FOR THE BONDS," above. However, certain practical and legal considerations could inhibit or materially delay the City's ability to relet any such facilities or otherwise recognize sufficient revenues therefrom in order to repay the Bonds.

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

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

Alternatively, upon and following a bankruptcy filing by United, certain provisions of the United States Bankruptcy Code could significantly delay or inhibit the City's ability to repossess or cause United to surrender promptly any or all of the Special Facilities and related ground areas to enable their potential reletting by the City. In particular, if a bankruptcy case is filed with respect to United, the Lease would likely be treated as an executory contract or unexpired lease of non-residential real property pursuant to Section 365 of the United States Bankruptcy Code. In such event, within 60 days after the entry of an order for relief is granted with respect to the bankruptcy filing (subject to extension at the discretion of the bankruptcy court up to 270 days), United would be required to either (i) assume the Lease, in which case United would remain in possession of the Special Facilities and related ground areas but it would also have to cure all pre-filing monetary defaults (such as unpaid Special Facilities Payments) and perform its future obligations under the Lease as a condition to that agreement's ongoing effectiveness, including during the pendency of the bankruptcy case, or (ii) reject the Lease, in which case the Lease could be terminated by the City and United would be required to vacate the Special Facilities and related ground

areas in due course. While any such rejection of the Lease by United in bankruptcy could eventually facilitate a potential reletting of the Special Facilities and related ground areas, the City could nevertheless experience delays in gaining access to such properties as a result of the bankruptcy filing, and such delays could adversely affect the potential availability of reletting proceeds when needed to effect the timely repayment of the Bonds. Such a rejection of the Lease by United could also result in limited damages against it under the United States Bankruptcy Code. See "CERTAIN BONDOWNERS' RISKS—Possible Limitations on Damages Against United Upon a United Bankruptcy" herein.

Rather than treating the Lease as an unexpired lease of non-residential real property in bankruptcy, United's bankruptcy trustee or United as debtor-in-possession could instead seek to treat the Lease as a disguised loan with respect to all or any portion of the Special Facilities, and it is possible that the bankruptcy court could agree with such recharacterization. In such circumstances, United could seek to suspend its Special Facility Payments with respect to affected Special Facilities during the pendency of its bankruptcy proceedings. Bondholders would likely be treated as secured creditors of United with respect to the suspended Special Facilities Payments (which could ultimately be restructured or reduced) and the affected Special Facilities, but an automatic stay against enforcing remedies could prevent the City from terminating the Lease. As a result, United could then remain in possession of the affected Special Facilities and related ground areas for up to the full remaining term of the Lease, and the City would not be able to regain possession of such properties during such time to enable their potential reletting.

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

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

Subordination of Special Facilities Payments; Uncertainty Concerning Rental Rates Affecting the Special Facilities. In connection with the reletting of any of the Special Facilities, the City is required to use commercially reasonable efforts to seek a replacement tenant or tenants who would pay or provide for the payment of certain charges, including but not limited to Special Facilities Payments, to the same extent as United is required to do under the Lease. Any such reletting proceeds, however, would first be applied by the City to pay City Charges and to pay Ground Rentals attributable to the period after reletting began, prior to being applied towards Special Facilities Payments (and consequently debt service on the Bonds). As a result, if all replacement tenants for the Special Facilities should pay less, in the aggregate, for the Special Facilities than United is required to pay, sufficient Special Facilities Payments to repay the Bonds when due would not be available. There can be no assurance that the City would be able to relet the Special Facilities leased by United for sufficient amounts to pay to the City all additional rentals that could be required and, thereafter, Special Facilities Payments on the Bonds.

Limitations on Trustee's Ability to Accelerate Special Facilities Payments

Upon certain payment-related events of default under the Trust Indenture, the Trustee may declare all amounts owed under the Bonds immediately due and payable. See APPENDIX B—"Certain Provisions of the Trust Indenture—Article VIII—Events of Default and Remedies." The Lease provides that United must pay Special Facilities Payments in an amount sufficient to pay all amounts when due upon the Bonds, upon acceleration or otherwise. Texas law concerning real property leases provides for certain remedies available to a lessor for breach

of a lease for real property, and acceleration of all rental payments due under the lease may not be an available remedy. A court could conclude that the requirement that United pay Special Facilities Payments in an amount equal to the amount due on any of the Bonds following an acceleration of such Bonds is, in effect, an impermissible acceleration of the rent due under a lease for real property and refuse to enforce the payment. If a court were to come to such conclusion, the Trustee could pursue other remedies available under the Trust Indenture. Such remedies, however, may not provide for the full payment of the principal and interest then due on the accelerated Bonds.

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

The Lease does not prohibit United from consolidating or merging with or into another corporation or entity, or from selling or otherwise disposing of all or substantially all of its assets, so long as certain conditions are satisfied. See APPENDIX C—"Certain Provisions of the Lease—Article 12—Miscellaneous."

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

Possible Loss of Tax-Exempt Status of Interest on the Bonds

On the date of delivery of and payment for the Bonds, Co-Bond Counsel will render its opinion with respect to the tax-exempt status of the interest on the Bonds, the form of which opinion is set forth in Appendix G hereto. See also "TAX MATTERS" herein.

In the event the interest on any of the Bonds is determined to be includable in gross income of registered owners of such Bonds for federal income tax purposes as a result of a Determination of Taxability, such Bonds will be subject to extraordinary required redemption as described under "THE BONDS—Extraordinary Required Redemption" above. In the event the interest on the Bonds is determined to be includable in gross income of registered owners of the Bonds for federal income tax purposes for any reason other than a Determination of Taxability, however, the Bonds will not be subject to extraordinary required redemption. In either such event, there will be no adjustment in the interest rate on such Bonds and the owners will not be indemnified against losses sustained as a result of a determination that the interest on such Bonds is not excludable from gross income for federal income tax purposes. No Determination of Taxability will result if the events that would otherwise give rise to a Determination of Taxability are the result of a change in the Code or regulations promulgated under the Code adopted or becoming effective after the date of issuance of the Bonds.

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

In addition, for a discussion of proposed legislation that could limit the tax benefit of the tax exemption applicable to the Bonds, see "TAX MATTERS—Tax Legislative Changes" herein.

Possible Limitations on Damages Against United Upon a United Bankruptcy

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

If the Lease were determined to be an unexpired lease of non-residential real property, the amount of a corresponding claim for damages against United in connection with the Bonds would be limited to the rent payable under the Lease (without acceleration) for the greater of one year or 15% of the remaining term of the Lease, but not to exceed three years, following the earlier of (a) the date the bankruptcy petition was filed, and (b) the date on which the City repossessed, or United surrendered, the leased property under the Lease, plus any unpaid rentals under the Lease (without acceleration) on the earlier of such dates. In this event, any claim with respect to the Bonds that do not mature (absent acceleration) within the period of one year or 15% of the remaining term of the Lease (but not in excess of three years) following the bankruptcy commencement date (i.e., the earlier of (a) or (b) above) could be limited to the interest that would accrue on such Bonds during such period and may not permit a claim for the recovery of principal.

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

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

NO LITIGATION

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

RATINGS

Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, have provided ratings for the Bonds of B2 and B, respectively. These ratings reflect only the view of such organizations, and an explanation of the significance of such ratings may be obtained only from the rating agency furnishing such rating. There is no assurance that such ratings will be maintained for any given period of time or that such ratings will not be revised downward, suspended or withdrawn entirely by such rating agencies, if in their sole judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

FINANCIAL ADVISOR

The City has retained First Southwest Company of Houston, Texas to serve as its financial advisor in connection with the issuance of the Bonds (the "Financial Advisor"). The Financial Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Financial Advisor's fees for services rendered with respect to the sale of the Bonds are contingent upon the issuance and delivery of the Bonds.

UNDERWRITING

The Bonds are being purchased by the Underwriters at a price equal to the par amount of the Bonds, $308,660,000, less an original issue discount of $4,169,863.95. United has agreed to pay the Underwriters a fee of $1,809,705.09 as compensation for the purchase and sale of the Bonds and as reimbursement for certain expenses of the Underwriters. The Purchase Contract dated as of May 8, 2014 between the City and Citigroup Global Markets Inc., acting for and on behalf of itself and as representative of Barclays Capital Inc., Cabrera Capital Markets, LLC and Siebert Brandford Shank & Co., L.L.C. (collectively, the "Underwriters"), provides that the Underwriters agree, jointly and severally, to purchase all of the Bonds if any are purchased, and that such purchase is subject to certain terms and conditions set forth therein, including the approval of certain legal matters by counsel. United has agreed to indemnify the City and the Underwriters against certain liabilities, including certain liabilities under federal securities laws.

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

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the City, United, or UAL. The Underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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

Citigroup Global Markets Inc. has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements,

Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Bonds.

CONTINUING DISCLOSURE

United will enter into a Continuing Disclosure Agreement with the Trustee upon the issuance and sale of the Bonds to provide certain financial and operating data concerning its affairs and to provide notice of the occurrence of certain events set forth in the Continuing Disclosure Agreement on a continuing basis for owners of the Bonds through filings with the Electronic Municipal Market Access ("EMMA") website of the Municipal Securities Rulemaking Board, currently located at http://emma.msrb.org. The Continuing Disclosure Agreement will be in substantially the form attached hereto as Appendix F—"Form of Continuing Disclosure Agreement." United's covenants in such agreement have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934, as amended. United has made timely filings of its Annual Report on Form 10-K and other required periodic reports and current reports with the SEC during the past five years. United has become aware, however, that there have been certain instances where it did not make event notice filings with EMMA (or its predecessors) under certain other continuing disclosure agreements that United entered into in connection with prior issuances of special facilities revenue bonds, including with respect to certain rating upgrades, the October 1, 2010 Merger, the Airlines Merger, and, in the case of a prior Old United airport financing, notice of SEC filing of certain of UAL's Annual Reports on Form 10-K. United intends to make corrective filings with respect to such matters and anticipates satisfying its continuing disclosure undertakings on an ongoing basis.

TAX MATTERS

Tax Exemption

In the opinion of Bracewell & Giuliani LLP and West & Associates, LLP, Co-Bond Counsel, under existing law (i) interest on the Bonds is excludable from gross income for federal income tax purposes, except with respect to interest on any Bond during such time that it is held by a person who, within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), is a "substantial user" or a "related person" to a "substantial user" of the facilities financed or refinanced with the proceeds of the Bonds, and (ii) the Bonds are "private activity bonds" under the Code and, as such, interest on the Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on individuals and corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The City has covenanted in the Trust Indenture and United has covenanted in the Lease that they will comply with these requirements.

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

The Code also imposes an alternative minimum tax on the "alternative minimum taxable income" of an individual, if the amount of such alternative minimum tax is greater than the amount of the individual's regular

income tax. Generally, the alternative minimum tax rate for individuals is 26% of so much of such taxable excess as does not exceed $175,000 plus 28% of so much of such taxable excess as exceeds $175,000. The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of an individual or corporation will include items of tax preference under the Code, such as the amount of interest received on "private activity bonds," such as the Bonds, issued after August 7, 1986. Accordingly, Co-Bond Counsel's opinion will state that interest on the Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on individuals and corporations.

Except as stated above, Co-Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

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

Additional Federal Income Tax Considerations

Collateral Tax Consequences. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers qualifying for the health insurance premium assistance credit, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Discount. The issue price of all or a portion of the Bonds may be less than the stated redemption price payable at maturity of such Bonds (the "Original Issue Discount Bonds"). The difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the subcaptions "—Tax Exemption," "—Additional Federal Income Tax Considerations—Collateral Tax Consequences," and "—Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriters have purchased the Bonds for contemporaneous sale to the public and (ii) all of the Original Issue Discount Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. None of the City, United or Co-Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

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

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 Bonds from the gross income of any holder or beneficial owner thereof for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value, marketability and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future legislation.

OTHER LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of the Attorney General of the State of Texas and the approving opinion of Bracewell & Giuliani LLP and West & Associates, LLP ("Co-Bond Counsel"). Certain legal matters will be passed upon for the City by the City Attorney; for United by Richa Himani, its Senior Counsel – Commercial Transactions, and for the Underwriters by their counsel, O'Melveny & Myers LLP.

MISCELLANEOUS

The summaries and descriptions herein of the Lease, the Trust Indenture, the Continuing Disclosure Agreement and any other documents relating to the Bonds and not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of such documents, copies of which may be obtained from United and from the Underwriters during the period of the initial offering of the Bonds. Appendix A

to this Official Statement incorporates by reference information concerning United, including certain financial information.

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

CITY OF HOUSTON, TEXAS

Approved by:

UNITED AIRLINES, INC.

SCHEDULE I

SCHEDULE OF REFUNDED BONDS

City of Houston, Texas Airport System Special Facilities Revenue Bonds
(Continental Airlines, Inc. Terminal E Project), Series 2001

Maturity Date (July 1)	Interest Rate	Par Amount	Call Date	Call Price	CUSIP* Number
2021†	6.750%	$ 65,000,000	06/02/14	100%	442348 P69
2022	7.375	10,000,000	06/02/14	100	442348 P77
2029†	6.750	208,490,000	06/02/14	100	442348 P85
2029†	7.000	21,000,000	06/02/14	100	442348 P93

* CUSIP is a registered trademark of The American Bankers Association. CUSIP numbers have been assigned to the Series 2001 Bonds by the CUSIP Global Services, managed by Standard and Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers are provided solely for the convenience of investors. None of the City, United or the Underwriters are responsible for the selection or accuracy of the CUSIP numbers set forth herein.

† Term bond subject to mandatory sinking fund payments.

APPENDIX A

AVAILABILITY OF CERTAIN INFORMATION RELATING TO UNITED AIRLINES, INC.

Available Information

United is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"), which may be in the form of combined reports reflecting information about each of United and UAL. These filings are available to the public over the Internet at the SEC's website at http://www.sec.gov. Reports, proxy statements and other information filed by United and UAL can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. A prospective purchaser can call the SEC at 1-800-SEC-0330 for further information on the public reference rooms and copy charges. In addition, reports, proxy statements and other information concerning United may be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

Incorporation of Certain Documents by Reference

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

Combined filings by UAL and United	Date filed
Annual Report on Form 10-K for the year ended December 31, 2013	February 20, 2014
Quarterly Report on Form 10-Q for the quarter ended March 31, 2014	April 24, 2014
Current Report on Form 8-K	January 15, 2014
Current Report on Form 8-K	March 11, 2014

Filings by United only	Date filed
Current Report on Form 8-K	April 7, 2014
Current Report on Form 8-K	April 9, 2014

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

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

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

APPENDIX B

CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following are selected provisions of the Original Trust Indenture dated August 1, 2001, as supplemented by that certain First Supplemental Trust Indenture to be dated as of June 1, 2014 (together, the "Trust Indenture"). ***Such excerpts should be qualified by reference to other portions of the Trust Indenture referred to elsewhere in this Official Statement, and all references and summaries pertaining to the Trust Indenture in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Trust Indenture, a copy of which may be obtained from the City. Certain defined terms used in the Trust Indenture refer to definitions in the Lease. Provisions included herein are in final form but may be amended in accordance with the terms of the Trust Indenture.***

SELECTED DEFINITIONS FROM THE TRUST INDENTURE

As used in the forepart of the Official Statement, the term "Bonds" shall mean the "Series 2014 Bonds," meaning the $308,660,000 City of Houston, Texas Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT). As used in this Appendix B, the term "Bonds" shall mean collectively the Series 2014 Bonds and any Additional Bonds and Refunding Bonds from time to time hereafter issued under the Trust Indenture.

"***Additional Bonds***" shall mean the additional parity revenue bonds permitted to be issued by the City pursuant to Section 6.1 of the Original Trust Indenture.

"***Additional Obligations***" shall have the meaning set forth in the Lease.

"***Airport***" shall mean George Bush Intercontinental Airport/Houston as it now exists or may be modified from time to time in the future.

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

"***Allocated Bond Amount***" shall mean the allocation of the principal amount of the Series 2001 Bonds and any Additional Bonds, as further set forth in Section 6A.01(b) and Exhibit H of the Lease, and as may be revised from time to time as set forth in Section 4.7(d) of the Original Trust Indenture.

"***Authorized Investments***" shall mean any of the investment securities that are authorized under Section 2256.001 et. seq., Texas Government Code, as amended (Texas Public Funds Investment Act), including, but not limited to, guaranteed investment contracts under Section 2256.015 Texas Government Code, as amended.

"***Authorized Representative***" shall mean with respect to the City, the director of the City's aviation department (or successor to that position), and with respect to Continental, the officer or employee so designated in writing by Continental to the Trustee.

"***Best Efforts***" shall have the meaning set forth in the Lease.

"***Bond Holder***," "***Holder***," "***Owner*** " and "***Registered Owner***" mean the Person in whose name such Bond is registered.

"***Bond Registrar***" shall mean the Trustee.

"***Bonds***" means collectively the Series 2014 Bonds and any Additional Bonds and Refunding Bonds from time to time hereafter issued under the Trust Indenture.

"***Bond Year***" means each one-year period that ends at the close of business on the day that is each anniversary of the date of delivery of the Bonds and on the date the last Bond is discharged.

"***Business Day***" shall mean a day other than a Saturday, Sunday, or legal holiday or the equivalent (other than a moratorium) on which banking institutions generally in Houston, Texas or New York, New York are authorized or required by law or executive order to close.

"***Capitalized Interest Sub-Account(s)***" shall mean the South Concourse Capitalized Interest Sub-Account and International Ticketing Facility Capitalized Interest Sub-Account, each created as part of the respective Construction Accounts within the Construction Fund, all as set forth in Section 4.2 of the Original Trust Indenture.

"***City***" shall mean the City of Houston, Texas or such other agency, board, authority, or private entity which may succeed to the jurisdiction of the City over the Airport.

"***City Charges***" shall have the meaning set forth in the Lease.

"***City Project Components***" shall have the meaning set forth in the Lease.

"***Costs of the Lessee Project Components***," "***Costs of the City Project Components***" and "***Costs of Special Facilities***" shall have the meaning set forth in the Lease.

"***Defeasance Obligations***" shall mean (i) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

"***Department of Aviation***" shall mean that department of the City that manages the Airport System.

"***Event of Default***" shall mean each of the occurrences or events defined as an "Event of Default" in Section 8.1 of the Original Trust Indenture.

"***First Supplemental Trust Indenture***" means this First Supplemental Trust Indenture between the City and the Trustee, dated June 1, 2014, supplementing the Original Trust Indenture and authorizing the issuance, sale and delivery of the Series 2014 Bonds.

"***Guaranty***" means that certain guaranty agreement, dated August 1, 2001 and amended and restated as of June 1, 2014, from United to the Trustee in which United unconditionally guarantees the payment of principal of, premium, if any, and interest on all of the Series 2014 Bonds, any Additional Bonds and any Refunding Bonds.

"***International Ticketing Facility Phase***" shall have the meaning as set forth in the Lease.

"***Investment Proceeds***" means any amounts actually or constructively received from investing Proceeds.

"***Lease***" means the Terminal E Lease and Special Facilities Lease Agreement dated August 1, 2001 by and between the City and Continental Airlines, Inc. (now known as United Airlines, Inc.) relating to the Terminal E Project, as supplemented by the Memorandum of Understanding.

"***Lessee Project Components***" shall have the meaning set forth in the Lease.

"***Memorandum of Understanding***" means the Memorandum of Understanding regarding the Lease between the City and United dated June 1, 2014.

"***MSRB***" means the Municipal Securities Rulemaking Board.

"***Original Trust Indenture***" means that certain Trust Indenture between the City and the Trustee, dated August 1, 2001, authorizing the Series 2001 Bonds, Additional Bonds and Refunding Bonds, pursuant to its terms.

"***Outstanding***" when used with respect to Bonds means, as of the date of determination, the aggregate principal amount of all Bonds theretofore authenticated and delivered under this Indenture, except, without duplication:

(1) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(2) Bonds for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Bonds, provided that, if such Bonds are to be redeemed prior to the stated maturity thereof, notice of such redemption has been duly given pursuant to this Indenture, or waived, or provision therefor satisfactory to the Trustee has been made;

(3) Bonds in lieu of which another Bond has been authenticated and delivered under this Indenture; and

(4) Bonds held or owned by the City or the Lessee.

"***Paying Agent***" shall mean the Trustee.

"***Person***" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or agency or political subdivision thereof.

"***Phase***" or "***Phases***" shall mean the South Concourse Phase and the International Ticketing Facility Phase as further defined in the Lease.

"***Pledged Revenues***" all mean the aggregate of (i) the Special Facilities Payments received or receivable; (ii) any amounts on deposit in the Construction Fund, inclusive of the accounts and sub-accounts maintained therein; (iii) any amounts on deposit in the Interest and Redemption Fund inclusive of accounts therein; (iv) gross receipts (net of an amount equal to City Charges and Ground Rentals payable as described in the Lease) derived by the City from the exercise of any right, obligation or remedy specified or permitted by the Lease; and (v) any insurance proceeds or refunds and all condemnation awards related to the Special Facilities that are available or payable to the City pursuant to the Lease. All of the items of money described above constitute "Pledged Revenues."

"***Redemption Date***" means the date the Refunded Bonds are redeemed, which shall be the Issue Date.

"***Refunded Bonds***" means the Series 2001 Bonds to be refunded and redeemed on the Redemption Date, which includes all Series 2001 Bonds Outstanding as of the Redemption Date.

"***Refunding Bonds***" shall mean the revenue refunding bonds permitted to be issued by the City pursuant to Section 6.2 hereof.

"***Regulations***" means the applicable proposed (to the extent such proposed regulations have an application or an effective date that would make them applicable to the Series 2001 Bonds, if finalized), temporary or final Income Tax Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"***Rule***" is defined in Section 6.1 of the First Supplemental Trust Indenture.

"***Series 2001 Bonds***" shall mean the City of Houston, Texas Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal E Project), Series 2001 in the initial aggregate amount of $323,500,000.

"***Series 2014 Bonds***" means the $308,660,000 City of Houston, Texas Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT).

"***Series 2014 Continuing Disclosure Agreement***" means that certain continuing disclosure agreement, dated June 1, 2014, by and between United and the Trustee, relating to compliance with the Rule with respect to the Series 2014 Bonds, as may be amended from time to time.

"***South Concourse Phase***" shall have the meaning as set forth in the Lease.

"***Special Facilities***" shall have the meaning set forth in the Lease.

"***Special Facilities Payments***" shall have the meaning set forth in the Lease.

"***Substantial Completion***" or "***Substantially Completed***" shall have the meaning as set forth in the Lease.

"***Terminal E***" shall mean that certain terminal building located at the Airport designated as Terminal E.

"***Terminal E Project***" shall mean those certain airport terminal facilities, baggage system improvements and expansion, and other airport facilities comprised of the Lessee Project Components and the City Project Components more fully described and defined as such in the Lease, including the exhibits thereto.

"***Trust Indenture***" means the Original Trust Indenture, as supplemented by this First Supplemental Trust Indenture, and all supplements and amendments thereto permitted pursuant to its terms.

"***Trustee***" means The Bank of New York Mellon Trust Company, National Association, successor to The Chase Manhattan Bank, or any bank or trust company appointed as a successor trustee under the Trust Indenture.

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

SELECTED EXCERPTS FROM THE ORIGINAL TRUST INDENTURE

GRANTING CLAUSES

NOW, THEREFORE, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds from time to time issued hereunder by the Holders thereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on such Bonds according to their tenor and effect and the performance and observance by the City of all the covenants expressed or implied herein, the City does hereby GRANT, BARGAIN, CONVEY, ASSIGN, MORTGAGE and PLEDGE to the Trustee and its successors in trust hereunder, all of the City's right title and interest in and to the "Pledged Revenues," as hereinafter defined;

TO HAVE AND TO HOLD all the same, with all rights and privileges appurtenant thereto, unto the Trustee and its successors in trust forever, subject however, to all of the terms and provisions of this Indenture;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit and security of the Holders from time to time of the Bonds from time to time issued hereunder without preference, priority or distinction as to lien or otherwise of any such Bond by reason of priority in the time of the issue, sale or delivery thereof, or by reason of the date of maturity thereof or for any other reason whatsoever, except as herein otherwise expressly provided;

PROVIDED, HOWEVER, THAT if the City shall pay or cause to be paid the principal of, premium, if any, and interest on the Bonds issued hereunder, or shall make provision for such payment as provided in this Indenture or in any other manner provided by law, then upon such final payment or provision therefor this Indenture, the rights, pledges and liens herein granted and all obligations created or arising hereunder shall thereby automatically cease, terminate and be discharged; otherwise this Indenture shall remain in full force and effect.

IT IS HEREBY DECLARED that the aforesaid Pledged Revenues and the proceeds of all Bonds issued from time to time hereunder shall be dealt with and disposed of under, upon and subject to the terms, conditions, covenants, agreements, uses and purposes set forth in this Indenture.

* * *

ARTICLE IV
SOURCE OF PAYMENT FOR ALL BONDS; SPECIAL FUNDS AND APPLICATION OF SERIES 2001 BOND PROCEEDS

Section 4.1. Source of Payment for Bonds. The Bonds are special limited obligations of the City payable solely from, and secured by a lien on and pledge of, the Pledged Revenues. The Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City's Home Rule Charter and shall not be general obligations of the City. The Holders of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the Airport System.

* * *

Section 4.9. Investment of Funds. (a) Moneys from time to time on deposit to the credit of the Interest and Redemption Fund and the Construction Fund, inclusive of the Construction Accounts and Capitalized Interest Sub Accounts, may be invested by the Trustee in Authorized Investments, as directed in writing by the

Lessee, provided that no Event of Default by the Lessee under the Lease has occurred and is continuing. All investments shall belong to the Fund from which such moneys were taken. The Trustee shall have the right to have sold in the open market a sufficient amount of such investments from any Fund to meet its obligations from such Fund if sufficient uninvested monies are not then on deposit therein. Neither the Trustee nor the City shall be responsible for any loss arising from investments made in accordance with this Section, for the Bonds becoming "arbitrage bonds" by reason of any investments so made, or for any loss resulting from the redemption or sale of any such investments as authorized by this Section.

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

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

(d) All Authorized Investments made with moneys deposited to the credit of the Construction Accounts, other than the Capitalized Interest Sub-Accounts, shall mature not later than the time and in the amounts estimated by the Lessee to be required to make payment for the Costs of the Lessee Project Components of the corresponding Phase pursuant to the Lease. All Authorized Investments made with money deposited to the credit of the Capitalized Interest Sub-Accounts shall mature on or before and in the amounts required to pay interest on the Bonds through the period that each Phase is anticipated to be under construction.

* * *

ARTICLE VI
ADDITIONAL BONDS, ADDITIONAL OBLIGATIONS AND REFUNDING BONDS

Section 6.1. Additional Bonds. For the purpose of paying any Costs of the Lessee Project Components and any other Special Facilities not fully funded with proceeds of the Series 2001 Bonds, including extensions or modifications to or expansions of the Lessee Project Components, or for paying other Costs of Special Facilities, as provided in the Lease, the City reserves the right to issue one or more series of Additional Bonds payable from, and secured by a first lien on and pledge of, the Pledged Revenues and the Guaranty, on a parity with the Series 2001 Bonds and any Refunding Bonds, or other additional obligations payable from and secured by certain net reletting proceeds described under Section 6A.05 or 6A.08 of the Lease ("Additional Obligations") from time to time hereafter issued; provided, however, that no such Additional Bonds or Additional Obligations shall be issued unless all of the following requirements are satisfied:

(a) The City and Trustee shall execute a supplemental agreement to this Indenture providing for the issuance of such Additional Bonds or Additional Obligations, and in the case of Additional Bonds, the supplemental agreement shall also set forth the new Allocated Bond Amounts taking into account the issuance of the Additional Bonds.

(b) Only with respect to the Additional Bonds, the Director of the Department of Aviation of the City (or any successor to that function) shall execute a certificate stating in effect that no Event of Default under the Lease by Lessee then exists and that the City's right to issue Additional Bonds and the Lessee's obligation to pay increased Special Facilities Payments thereunder, subject to Article 6A of the Lease, has not been altered, rescinded, amended or changed by the Lessee or the City.

(c) Only with respect to Additional Bonds, the issuance of any such Additional Bonds shall be approved by the Lessee in the manner required by the Lease, as evidenced by a written instrument executed by the Lessee acknowledging that, subject to Article 6A of the Lease, the Special Facilities Payments under the Lease will be increased in an amount sufficient to pay all principal, interest and redemption premiums and purchase price, if any, on the Additional Bonds as the same mature and become due or are required to be mandatorily redeemed, and all fees of the Trustee and other costs and expenses relating to the payment thereof.

(d) Only with respect to Additional Obligations, such Additional Obligations shall only be issued if required under the conditions set forth in Article 6A of the Lease and shall not be subject to approval by the Lessee.

Section 6.2. Refunding Bonds. In addition to the Additional Bonds authorized in Section 6.1 hereof, the City shall have the right in accordance with any applicable law to issue Refunding Bonds in any manner authorized by law to refund all or any part of any Outstanding Bonds provided that no Refunding Bonds shall be issued which will have a lien on Pledged Revenues prior and superior to any Bonds which will remain Outstanding after the refunding and provided further that, in the event less than all Bonds then Outstanding are refunded, such Refunding Bonds shall not be issued unless requirements (a) through (c) in Section 6.1 hereof are satisfied.

ARTICLE VII
COVENANTS OF THE CITY

Section 7.1. Concerning the Lease. The City covenants and warrants (i) that the Lease has been duly and lawfully entered into, executed and delivered by the City and represents a valid, binding and enforceable agreement between the City and Lessee; (ii) that this Indenture has been approved by the Lessee as required by the Lease; (iii) that so long as any Bonds remain Outstanding, the City will not consent to or grant any modification of or amendment to Sections 6.01 or Section 6A of the Lease; (iv) that so long as any Bonds remain Outstanding, the City will not consent to or grant any modification of or amendment to any other provision of the Lease that would have the effect of reducing, altering or modifying the obligations and commitments of Lessee contained in Section 6A, Sections 6.01 and 6.02 of the Lease, or would minimize, reduce or lessen the rights of the City if an Event of a Default occurs with respect to the payment of Special Facilities Payments by Lessee thereunder, or would materially and adversely affect the security herein provided for the payment of the Bonds; (v) that City will take, if an Event of Default occurs under the Lease, the necessary remedial steps against the Lessee, as set forth in Section 10.02 of the Lease; and (vi) that so long as any Bonds remain Outstanding the City will perform and discharge its duties and obligations under the Lease and will use its Best Efforts to require the Lessee to perform and discharge each and all of its duties and obligations thereunder.

* * *

Section 7.2. Collection of Special Facilities Payments and Other Payments. Subject to the provisions of Article 6A of the Lease, the City shall use Best Efforts to cause the Special Facilities Payments (excluding certain payments described under Article 6A of the Lease) payable by the Lessee under the Lease to be paid by Lessee to Trustee on behalf of the City in the amounts and at the times necessary to enable the City to make all deposits to the Interest and Redemption Fund, as required herein and in the Lease. The City shall use Best Efforts to cause any other payments payable by the Lessee under the Lease, including all payments made by the Lessee pursuant to Section 6A of the Lease to be paid to Trustee on behalf of the City in the amounts and at the times necessary to enable the City to make all deposits to the Interest and Redemption Fund, as required herein and in the Lease.

* * *

Section 7.4. Diligence in Certain Events of Default. If an Event of a Default by the Lessee occurs under the Lease (and whether or not the City elects to terminate the Lease), the City covenants and agrees, to use its Best Efforts to keep the Special Facilities leased, or subleased, on a net rent lease basis and to impose and collect from each such lessee or sublessee net rentals for the use of the Special Facilities in such amounts and under such terms and conditions as shall be sufficient to pay and retire the Bonds and all interest thereon when and as due and payable and to maintain the amounts required to be on deposit in the Interest and Redemption Fund and to provide for the proper maintenance and operation and insurance of the Special Facilities without expense to the City.

* * *

Section 7.5. Payment of Bonds. Subject to the provisions of Section 4.1 hereof, the City agrees promptly to cause to be paid as same become due and payable the principal of, premium, if any, and interest on the Bonds.

Section 7.6. Transfers and Assignments. (a) So long as any Bonds remain Outstanding, the City shall not and shall cause the Lessee not to sell, dispose of, or encumber any portion of the Special Facilities, except as may be permitted under the Lease, the Guaranty and this Indenture; provided, however, that this prohibition shall not prevent the City from disposing or permitting the disposal of any portion of the Special Facilities that has been declared surplus or is no longer needed or useful for the proper operation of the Special Facilities.

(b) So long as any Bonds remain Outstanding, the City covenants that it will not consent to any assignment by Lessee of its rights under the Lease without first obtaining a written agreement from the Lessee that the Lessee shall remain primarily liable for Special Facilities Payments due thereunder, and subject to the conditions set forth in Section 11.01 of the Lease.

Section 7.7. Books, Audits, Inspections. (a) So long as any Bonds remain Outstanding, the Trustee shall keep proper books and records and accounts showing complete and correct entries of all transactions relating to Special Facilities Payments, the Lessee Project Components and the Lease.

Section 7.8. Pledged Revenues, Encumbrance of Pledged Revenues. The Pledged Revenues are not in any manner pledged to the payment of any debt or obligation of the City other than the Bonds. Except through the issuance of Additional Bonds and Refunding Bonds, the City covenants that it will not in any manner pledge or further encumber the Pledged Revenues.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default. Each of the following occurrences or events for the purposes of this Indenture shall be and is hereby declared to be an "Event of Default," to wit:

(a) The failure to make payment of the principal of or any installment of interest on any of the Bonds within five (5) calendar days after the same shall become due and payable;

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

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

Section 8.2. Remedies. Upon the happening and continuation of any Event of Default as provided in Section 8.1 hereof, the Trustee may, and upon the written request of the Holders of not less than 51% of the aggregate principal amount of the Bonds then Outstanding and upon indemnification as provided in Section 10.2 hereof, shall proceed against the City and/or the Lessee for the purpose of protecting and enforcing the rights of the Holders of Bonds under this Indenture and the Guaranty, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the Holders of the Bonds hereunder or any combination of such remedies as the Trustee shall deem most effectual to protect and enforce any of its rights or the rights of the Holders of the Bonds. It is provided, however, that all such proceedings at law or in equity against the City shall be strictly limited to the security and source of payment herein pledged to the Bonds or such rights as the Trustee may have under the Guaranty, and shall be instituted and maintained for the equal benefit of all Holders of the Bonds. Each remedy, right or privilege herein provided shall be in addition to and cumulative of any other remedy, right or privilege

available at law or equity, and the exercise of any remedy, right or privilege or the delay in or failure to exercise any remedy, shall not be deemed a waiver of any other remedy, right or privilege hereunder.

Section 8.3. Acceleration. If an Event of Default under Section 8.1(a) of this Indenture shall occur and be continuing as a result of the Lessee's failure to make Special Facility Payments when required under the Lease or any payment under the Guaranty, then the Trustee may, and upon written request of the Holders of not less than 51% of the aggregate principal amount of the Bonds then Outstanding and upon the indemnification as provided in Section 10.2 hereof, shall declare the principal of the Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; however, such declaration is subject to the condition that if, after the principal of and interest on the Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall have been deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by State law, on overdue installments of interest, at the rate per annum borne by the Bonds on the date of such declaration) and such amounts as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee, and all Events of Default hereunder other than nonpayment of the principal of Bonds which shall have become due by said declaration shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission and annulment to the City and the Lessee and, if notice of the acceleration of the Bonds shall have been given to the Owners, shall give notice thereof to the Owners, but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

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

Section 8.4. Effect of Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the City, the Trustee and each Holder shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 8.5. Right of Holders to Direct the Proceedings. Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in principal amount of the Bonds then Outstanding hereunder shall have the right, subject to the provisions of Section 10.2 of the Original Trust Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Original Trust Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to the Holders not parties to such direction.

Section 8.6. Restrictions Upon Action by Individual Holders. No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless (w) such Holder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceedings is to be instituted, (x) the Holders of not less than 51% in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or other proceeding in its or their name, (y) there shall have been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and (z) the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the

Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder. It is understood and intended that no one or more Holders hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders.

Section 8.7. Trustee's Right to Act Without Possession of Bonds. All rights of action under this Indenture or under any of the Bonds secured hereby, enforceable by the Trustee may be brought against third parties or otherwise, may be enforced by it without the possession of any of the Bonds or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Bonds, subject to the provisions of the Original Trust Indenture.

Section 8.8. Right of Individual Holder to Enforce Payment. Nothing contained in this Article shall affect or impair the right of any Holder to enforce the payment of the principal of and interest on his Bonds, or, the obligation of the City to pay the principal of and interest on each Bond issued hereunder to the Holders thereof at the time and place expressed in said Bond.

ARTICLE X
THE TRUSTEE

* * *

Section 10.2. Trustee's Right To Require Indemnification. (a) Trustee shall be under no obligation to exercise any remedy or take any other action hereunder which, in its opinion, is likely to involve expense or liability, unless one or more of the Holders of the Bonds shall furnish Trustee with indemnity reasonably satisfactory to it against expense and liability.

(b) In reliance upon Lessee's indemnity provided in Section 9.01 of the Lease, but only to the extent Lessee makes payments to the City in respect of any claims made against the Trustee, the City will indemnify the Trustee against all costs, claims or liabilities arising under any federal, state or local law, rule or regulation relating to the ownership, construction, financing or use of the Lessee Project Components with respect to such Phase, it being understood that the City's obligation hereunder is limited solely and exclusively to the proceeds of payments made to the City by Lessee as described in Section 6A.04(b) of the Lease.

* * *

Section 10.7. Removal of Trustee. The Trustee may be removed at any time by (i) the City, upon request of the Lessee if no Event of Default by the Lessee is then continuing, by delivering notice thereof to the Trustee, or (ii) an instrument or concurrent instruments in writing, signed by the Holders of a majority in principal amount of the Bonds then Outstanding (which notice of removal shall be approved by Lessee if no Event of Default by Lessee is then continuing) and delivered to the Trustee, with notice thereof given to the City.

Section 10.8. Resignation of Trustee. (a) Except as provided in subsection 10.8(b) hereof, the Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice to the City and the Lessee and by publishing notice of its intended resignation at least ninety (90) days in advance thereof, which notice shall specify the date on which such resignation shall take effect and shall be given in writing to the Holders of all of the Bonds and such resignation shall take effect from the date specified in such notice, unless a successor to such Trustee shall have been appointed by the Holders of the Bonds or by the City and the Lessee as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Trustee.

(b) Notwithstanding any provision to the contrary contained in Section 10.7 or subsection 10.8(a) above, no removal or resignation of a Trustee hereunder shall become effective until a successor Trustee is appointed under Section 10.9 hereof.

Section 10.9. Appointment of Successor Trustee. In case the Trustee hereunder shall resign, or shall be removed or dissolved, or shall be in the course of dissolution or liquidation, or shall otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under control of any public officer or officers or a receiver appointed by a court, a successor may be appointed by Lessee if no Event of Default under the Lease by Lessee is then continuing, or in the absence of such an appointment by Lessee, be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing, signed by such Holders or their duly authorized representatives and delivered to the Trustee, with notice thereof given to the City; provided, however, that in any of the events above mentioned, the City (and if approved by Lessee if no Event of Default under the Lease by Lessee is then continuing) may nevertheless appoint a temporary Trustee to fill such vacancy until a successor shall be appointed by the Holders in the manner above provided, and any such temporary Trustee so appointed by the City shall immediately and without further act be automatically succeeded by the successor to the Trustee appointed by the Holders. The City shall promptly mail notice of the appointment of any successor Trustee to the Holders of the Bonds. Any successor Trustee or temporary Trustee shall be a national bank or trust company having combined capital and surplus of not less than $150,000,000.

In the event that no appointment of successor Trustee is made by the Holders or by the City pursuant to the foregoing provisions of this Section at the time a vacancy in the office of the Trustee shall have occurred, the Holders of any Bond issued hereunder or the retiring Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice as it shall deem proper, if any, appoint a successor Trustee.

Section 10.10. Powers of Successor Trustee. Each successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, the Lessee and to the City, an instrument in writing 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, but such predecessor Trustee shall, nevertheless, on the written request of the City, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, trusts, duties and obligations of such predecessor hereunder. Each predecessor Trustee shall immediately deliver all properties, securities and moneys held by it to its successor; provided, however, that before any such delivery is required or made, all proper fees, advances and expenses of the predecessor Trustee shall be paid in full. Should any instrument in writing be required from the City by any successor Trustee for properties, rights, powers, trusts, duties and obligations hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee, the appointment of a successor Trustee hereunder, together with all instruments provided for in this Article, shall be filed with such successor Trustee.

Section 10.11. Merger, Conversion or Consolidation of Trustee. Notwithstanding any provision hereof to the contrary, any corporation or association into which the Trustee may be merged or converted, or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or which succeeds to all or substantially all of the corporate trust business of the Trustee, shall be the successor Trustee under this Indenture without the execution or filing of any instrument or any other act on the part of any of the parties hereto.

ARTICLE XI
SUPPLEMENTAL INDENTURES

Section 11.1. Supplemental Indentures Not Requiring Consent of Holders. The City and the Trustee may without the consent of, or notice to, any of the Holders enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

(a) to cure any ambiguity, defect, omission or inconsistent provision in this Indenture or in the Bonds or make any other provision with respect to matters or questions arising under the Original Trust Indenture or any supplemental Indenture; provided, however, that such action shall not, based upon an opinion of counsel, materially adversely affect the interests of the Holders;

(b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Trustee;

(c) to add to the covenants and agreements of the City contained in this Indenture other covenants and agreements of, or conditions or restrictions upon, the City or to surrender or eliminate any right or power reserved to or conferred upon the City in this Indenture;

(d) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

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

(f) to provide for the issuance, sale and delivery of Additional Obligations as provided in Article VI of this Indenture;

(g) to provide for the issuance, sale and delivery of Refunding Bonds as provided in Article VI of this Indenture;

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

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

When requested by the City, the Trustee shall, subject to Section 11.3 hereof, join the City in the execution of any such supplemental indenture.

Section 11.2. Supplemental Indentures Requiring Consent of Holders. (a) The City and the Trustee may, at any time, enter into one or more supplements to this Indenture amending, modifying, adding to or eliminating any of the provisions of this Indenture but, if such supplement is not of the character described in Section 11.1 hereof, only with the written consent of the Lessee and the Holders of not less than 51% of the Bonds Outstanding hereunder at the time of the adoption of such amendatory Indenture (not including any Bonds then held or owned by the City); provided, however, that, without the consent of all Holders, no such Indenture shall have the effect of permitting:

(i) an extension of the maturity of any Bonds;

(ii) a reduction in the principal amount of any Bonds, the rate of interest thereon, or any redemption premium payable thereon;

(iii) the creation of a lien upon or pledge of any Pledged Revenues ranking superior to, or on parity with, the lien or pledge created hereby;

(iv) a reduction of the principal amount of Bonds required for consent to amendments to the Original Trust Indenture;

(v) the establishment of priorities among Bonds; or

(vi) a reduction in the aggregate principal amount of the Bonds required for consent to any other change in the Original Trust Indenture, without the consent of the Holders of all the Bonds of the series of Bonds affected then Outstanding.

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

(c) Whenever, at any time within one (1) year after the date of the first giving of such notice, the City shall deliver to the Trustee an instrument or instruments purporting to be executed by the Holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplemental agreement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such supplemental agreement in substantially such form, without liability or responsibility to any Holder, whether or not such Holders shall have consented thereto.

(d) If the Holders of not less than 51% in aggregate principal amount of the Bonds Outstanding at the time of the execution of a supplemental agreement meeting the requirements of this Section 11.2 shall have consented to and approved the execution thereof as herein provided, no Holder shall have any right to object to the execution of such supplemental agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

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

(f) Any consent given by a Holder pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the giving of the notice and shall be conclusive and binding upon all future Holders of the same Bond during such period. At any time after six (6) months from the date of giving notice, such consent may be revoked by the Holders who gave such consent or by a successor in title by filing notice of such revocation with the Trustee, but such revocation shall not be effective if the Holders of 51% of the Bonds Outstanding, prior to receipt by the Trustee of the attempted revocation, consented to and approved the amendatory agreement referred to in such revocation.

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

Section 11.3. Rights of Trustee. Notwithstanding the foregoing provisions of this Article XI, the Trustee shall not be required to enter into any supplement hereto, unless it shall have received an opinion of counsel (if reasonably requested under the circumstances), addressed to the Trustee, reasonably satisfactory to it that such supplement or amendment complies with the provisions of this Article X, that all conditions precedent to the execution and delivery of such supplemental indenture have been complied with, and that the execution and delivery of such supplemental indenture will not materially adversely affect the interests of the Owners of the Bonds. Moreover, the Trustee shall not be required to execute any supplement to this Indenture (except a supplement hereto providing for the issuance of Additional Bonds pursuant to Article VI hereof entitling the Trustee to the same rights, privileges and immunities in respect of such Additional Bonds as provided hereby in respect of the Bonds) if such supplement or amendment adversely affects its rights, duties or immunities hereunder, in which case the Trustee may, in its discretion, but shall not be obligated to, enter into or consent to such supplement or amendment.

Section 11.4. Approval by Lessee. Notwithstanding anything contained in the foregoing provisions of this Indenture to the contrary, so long as no Event of Default has occurred and is continuing (other than an Event of Default not attributable to Lessee's actions or failure to act) or Event of Phase Termination has not occurred with

respect to both Phases; no supplemental indenture or agreement shall become effective unless and until Lessee delivers to the City and the Trustee a written consent to the terms of such supplemental indenture or agreement, except that the Lessee's consent shall not be required for the issuance of any Additional Obligations as provided herein.

Section 11.5. Approval by City. The City shall not unreasonably withhold or delay its consent to a supplemental Indenture or agreement meeting the requirements of this Article XI.

ARTICLE XII
DEFEASANCE

Section 12.1. Defeasance. (a) If the whole amount of the principal of and interest due on or to become due and payable upon all of the Bonds then Outstanding, if any shall be paid or sufficient funds shall be held by the Trustee for such purpose, and provision shall also be made for paying all other sums payable hereunder by the City, together with all fees and charges of the Trustee, and if any Bonds to be redeemed prior to maturity shall have been duly called for redemption or irrevocable instructions to call such bonds for redemption shall have been given by the City to the Trustee, then and in that case the right, title and interest of the Trustee herein shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the City, shall release this Indenture and shall execute such documents to evidence such release as may be reasonably required by the City, and shall turn over to the City all balances remaining in all Funds created by this Indenture, which shall be distributed by the City as directed under the Lease, other than funds held for redemption or payment of Bonds; otherwise this Indenture shall be, continue and remain in full force and effect.

(b) Any Bond shall be deemed to be paid and no longer Outstanding within the meaning of this Indenture when payment of the principal of on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, pursuant to an escrow or trust agreement, a sufficient amount of cash and/or Defeasance Obligations which are certified by an independent certified public accountant to be sufficient to provide for the full and timely payment of the principal amount and redemption premium, if any, of such Bonds plus interest thereon to the date of maturity or redemption plus all fees and charges of the Trustee in connection therewith; provided, however, that if any of such Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving proper notice of redemption therefor.

(c) To accomplish defeasance the City shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under State law and this Indenture; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the City, the Lessee and the Trustee.

(d) The satisfaction and discharge of this Indenture shall be without prejudice to any rights and immunities of the Trustee and the duties of the Trustee as Paying Agent and in connection with registration and transfer of Bonds shall survive and remain in effect until all of the Bonds have been paid, redeemed or defeased pursuant to this Indenture. The Trustee shall be reimbursed by the City for any expenditures which it may incur in connection with this Article XII.

* * *

APPENDIX C

CERTAIN PROVISIONS OF THE LEASE

The following are selected provisions of the Lease between the City of Houston, Texas and United Airlines, Inc. (previously known as Continental Airlines, Inc.) dated August 1, 2001. ***Such excerpts should be qualified by reference to other portions of the Lease referred to elsewhere in this Official Statement, and all references and summaries pertaining to the Lease in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Lease, a copy of which may be obtained from the City. Certain defined terms used in the Lease refer to definitions in the Trust Indenture. Provisions included herein are in final form but may be amended in accordance with the terms of the Lease.***

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

Section 1.01 Definitions. In this Agreement, the following terms shall have the following meanings, respectively, unless the context clearly indicates otherwise:

"Additional Bonds" shall mean all additional bonds which may be issued by the City payable from the same sources as the Series 2001 Bonds for the purposes and in the general manner specified in Section 4.02 hereof. Additional Bonds shall be entitled to the benefits of the Guaranty.

"Additional Obligations" shall mean all additional bonds, notes or other obligations which may be issued by the City payable from reletting revenues of a Phase of the Terminal E Project as provided in Section 4.02(b). Additional Obligations shall not be entitled to the benefits of the Guaranty.

* * *

"Airport" shall mean George Bush Intercontinental Airport/Houston, Houston, Texas, as it now exists or may be modified or expanded from time to time in the future.

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

"Airport System Revenue Bonds" means the bonds, notes (including commercial paper notes) and other obligations of the City secured by Airport System revenues generally (but expressly excluding revenues derived from special facilities), including the City's Airport System Senior Lien Revenue Bonds and Notes, Airport System Subordinate Lien Revenue Bonds and Notes and Airport System Inferior Lien Revenue Bonds and Notes.

* * *

"APM" shall mean the automated people mover system, the first phase of which connects Terminals B and C and which is to be extended by the City to the international facilities area.

"APM Maintenance Facility" shall mean any discrete offline maintenance facility constructed for the benefit of the APM.

* * *

"Best Efforts" when used herein in connection with a party's taking of an action or attempting to cause a specific result to occur shall mean that the party obligated to use its Best Efforts in such regard shall use all

commercially reasonable efforts under the then applicable circumstances, as considered in good faith by the party so obligated, to take such action or cause such result to occur, it being agreed, however, that without limiting the generality of the foregoing, when describing an obligation of the City, "Best Efforts" shall not include the obligation to invoke the City's police powers or any other power or authority derived solely from the City's status as a municipal corporation.

* * *

"Central FIS" shall mean a structure to be constructed by the City between Terminals D and E for the primary purpose of processing inbound international passengers and for related purposes as provided in the International Facilities Agreement and the Program Definition Manual. The Central FIS shall not include Lessee's Central Ticketing Facility.

"City" shall mean the City of Houston, Texas, or such other agency, board, authority, or private entity which may succeed to the jurisdiction of the City over the Airport.

"City Amortization" shall mean the level annual charge required to recover the net cost of a City Capital Improvement over the Useful Life of such City Capital Improvement at the City's Cost of Capital.

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

"City Charges" shall mean those charges authorized in Section 6.07. City Charges shall also include Interim City Charges that Lessee may elect to pay under Section 3.06.

* * *

"City Operation and Maintenance Expenses" shall mean all reasonable and necessary current expenses of City, paid or accrued, of operating, maintaining, repairing, and administering the Airport; including, without necessarily limiting the same, salaries and wages, fringe benefits, contractual services, utilities, professional services, police protection services, fire protection services, administrative expenses, the cost of materials and supplies used for current operations, equipment, insurance premiums, the reasonable charges of any paying agents and any other depository bank pertaining to the Airport, as well as overhead expenses of (a) the Department (which shall be fairly allocated among City's airport facilities in accordance with generally accepted accounting practices) and (b) other City departments whose services are directly related or reasonably allocable to the administration of the Airport (which shall be determined in accordance with a City-wide administrative cost allocation plan then in effect); provided, however, City Operation and Maintenance Expenses shall not include any allowance for depreciation, payments in lieu of taxes, City Capital Improvements, any charges for the accumulation of reserves for capital replacements or charges resulting from the negligence or breach of existing agreements by the City, its employees or contractors.

"City Project Components" shall mean those components of the Terminal E Project being constructed and financed by the City, other than with the Bonds, which consist of the Terminal E Apron Area, the Terminal E Fueling Facilities, the Terminal E Pedestrian Bridges, the Terminal E Utilities, the Shell for Central Ticketing Facility and Associated Ramp and Baggage Tunnel, all as more fully described in Exhibits "A-5," "A-6," "A-7," "A-8,""A-9" and "A-10" of Exhibit "A" attached hereto and by this reference made a part hereof, together with any

modifications, additions or reductions thereto approved by the Director subject to the limitations imposed by the Trust Indenture. The City Project Components include the City South Concourse Components and the City International Ticketing Facility Components.

* * *

"City's Cost of Capital" shall mean (a) for City Capital Improvements financed with Airport System Revenue Bonds, the effective interest rate on the Airport System Revenue Bonds used to finance the particular City Capital Improvement and (b) for City Capital Improvements financed with other Airport funds, the current Revenue Bond Index (of 22-year+, "A" rated bonds) published daily in the Wall Street Journal (or successor publication thereto), for the end of the latest month preceding the calculation of the rates and charges, but no later than June 30 of the City's fiscal year in which the City Capital Improvement is placed in service.

* * *

"Construction Period" shall mean the period from the execution and delivery of this Agreement through the date of Substantial Completion of the South Concourse Phase, the International Ticketing Facility Phase or the entire Terminal E Project, as the case may be. In the event Segments of Lessee Project Components or City Project Components, as applicable, have different dates of Substantial Completion, there shall be different Construction Periods for each Segment, with each such Construction Period ending on the date of Substantial Completion of the applicable Segment.

* * *

"Continental Airport Use and Lease Agreement" shall mean the Use and Lease Agreement effective as of January 1, 1998 between the City and Continental with respect to Continental's use of the Airport and lease of space in Terminals B and C at the Airport.

* * *

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

(i) all amounts paid to design, construct, acquire, fabricate, equip and install the Lessee Project Components or other Special Facilities, including without limitation, all costs of utility extensions and connections and all amounts paid under all contracts for goods, services and facilities related thereto;

(ii) all amounts necessary to provide for work performed, material purchased or expenditures incurred, pertaining to or in connection with the Lessee Project Components or any other Special Facilities approved by City including, without limitation, the charges of any architects or engineers for plans, specifications, drawings, supervision and inspection for the Lessee Project Components or Special Facilities;

(iii) all expenses incurred for the review of plans, specifications and contracts for the Lessee Project Components or other Special Facilities and for the inspection in connection with the construction and acquisition thereof;

(iv) the cost of any and all permits, licenses, fees, performance and payment bonds, appraisals and insurance policies procured in connection with the acquisition and construction of the Lessee Project Components or other Special Facilities;

(v) legal, accounting and bond advisory, underwriting and consultant fees and expenses, including any fees and expenses of any bond insurer and provider of any reserve fund surety, bond rating agencies and all costs and expenses incident to the authorization, issuance, delivery and sale of the Bonds,

including without limitation the preparation, execution, delivery and recording of this Agreement, the Trust Indenture, any preliminary and the final offering documents pertaining to the Bonds, and any printing fees for such documents, any purchase agreements pursuant to which the Bonds will be sold, all credit agreements and other documents providing security for the Bonds or the obligations owing to the City hereunder and all other agreements and documents involved and contemplated hereby, the costs and fees, including legal fees, incident to the qualification of the Bonds for offer and sale under securities laws and the preparation of any memorandum as to the eligibility of the Bonds for offer and sale and for investment under state laws if required or if applicable;

(vi) interest accruing on the Bonds during the period of construction of the Lessee Project Components or other Special Facilities financed with the proceeds thereof;

(vii) Ground Rentals and utility charges payable under Section 6.04 relating to the Terminal E Project during the period of construction of the Lessee Project Components or other Special Facilities financed with the proceeds of the Bonds; and

(viii) such other and additional fees, costs, expenses and expenditures of whatever nature incidental or pertaining to the design, acquisition, construction, fabrication, equipping and installation of the Lessee Project Components or other Special Facilities, including funding of the Reserve Account, if any (as defined in the Trust Indenture), and all other costs and expenses that may properly be capitalized as costs of the Lessee Project Components or other Special Facilities.

"Costs of Terminal E Project" shall mean the sum of the Costs of the City Project Components plus the Costs of the Lessee Project Components to the extent that the same are capitalizable into the basis of the Terminal E Project in accordance with generally accepted accounting principles.

"Department" shall mean the Department of Aviation of the City.

"Director" shall mean the Director of the Department or his designee.

* * *

"Event of Default" shall mean those events so defined in Section 10.01 hereof.

* * *

"Force Majeure" shall mean neither City nor Lessee shall be deemed in violation of this Agreement during the period of Force Majeure if it is actually prevented from performing any of its material obligations hereunder solely by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not in its control; provided, however, that these provisions shall not excuse Lessee from paying the rentals and fees specified in Articles 6 and 6A. This relief is not applicable unless the affected party uses Best Efforts to remove the Force Majeure as expeditiously as possible.

"Ground Handling Services" shall mean any of the following: on and off loading of passengers, baggage, mail or cargo; into-plane fueling; servicing aircraft lavatories; providing ground power, potable water and preconditioned air; cleaning the interior or exterior of aircraft; emergency maintenance of aircraft engines and systems; and any other similar ground services.

"Ground Lease Properties" shall mean the footprint for South Concourse and those portions of the floor space within the Central FIS and the parking facility located east of Terminal C at the Airport known as the Terminal C-East Garage as are required to construct the Lessee Project Components thereon or therein, all as more fully described in Exhibit "C" attached hereto.

"Ground Rentals" shall mean the rentals to be paid directly to the City pursuant to Section 6.06 as consideration for the Ground Lease Properties. Ground Rentals shall also include all Interim Ground Rent that Lessee may elect to pay pursuant to Section 3.06.

* * *

"Interest and Redemption Fund" shall mean the fund so defined in the Trust Indenture for the collection of Special Facilities Payments and payment of the Bonds.

"Interim City Charges" shall mean the City Charges that Lessee pays prior to Substantial Completion of either Phase of the Terminal E Project in connection with its use of a Segment pursuant to Section 3.06.

* * *

"International Facilities Agreement" shall mean the International Facilities Agreement by and between Lessee and the City. Until the International Facilities Agreement is entered into, the term shall mean those provisions pertaining to Terminal D and the Central FIS which are contained in the Term Sheet–International Services Expansion Program between the City and Lessee countersigned on December 30, 1999, and which are not inconsistent with the provisions of this Agreement.

"International Ticketing Facility Phase" shall mean the City International Ticketing Facility Components and the Lessee International Ticketing Facility Components.

* * *

"Lessee Project Components" shall mean the South Concourse, Lessee's Central Ticketing Facility, Lessee's Terminal C-East Garage ATO Facility and Lessee's Terminal E Baggage System Improvements, all as more fully described in Exhibits "A-1," "A-2," "A-3" and "A-4" of Exhibit "A" attached hereto and by this reference made a part hereof, together with any modifications, additions or reductions thereto approved by the Director.

"Lessee South Concourse Components" shall mean the South Concourse and the Lessee's Terminal C-East Garage ATO Facility.

"Lessee's Terminal C-East Garage ATO Facility" shall mean those tenant improvements, fixtures, equipment and related facilities in the parking facility located east of Terminal C at the Airport known as the Terminal C-East Garage, including walkways to connect the same with the South Concourse as described in Exhibit "A-3" to this Agreement.

"Lessee's Terminal E Baggage System Improvements" shall mean those tenant improvements, fixtures, equipment and related facilities in the parking facility located east of Terminal C at the Airport known as the Terminal C-East Garage, consisting of a baggage conveyance system to connect the same with the Lessee's Central Ticketing Facility as described in Exhibit "A-4" to this Agreement and more fully provided in the Program Definition Manual.

* * *

"Phase" shall mean the International Ticketing Facility Phase and/or the South Concourse Phase.

"Program Definition Manual" shall mean the Project Definition Manual for International Services Expansion Program dated April 4, 2000, which was jointly developed by the City and Lessee, as it may be amended from time to time with the joint concurrence of the City and Lessee.

"Refunding Bonds" shall mean all refunding bonds which may be issued by the City for the purposes set forth in Sections 4.04 hereof, and which shall be payable from the same sources as the Bonds.

"Renewal and Replacement Fund" shall mean the fund of such name that the City is obligated to maintain pursuant to its ordinances authorizing its Airport System Revenue Bonds.

* * *

"Series 1997A Bonds" shall mean the City's Airport System Special Facilities Revenue Bonds, Series 1997A (Automated People Mover Project) in the original principal amount of $74,200,000, the payment of which is secured by a special facilities lease agreement with and guaranty from Lessee.

"Series 2001 Bonds" shall mean the series of Bonds to be issued pursuant to this Agreement and the Trust Indenture, which shall be entitled the "City of Houston, Texas, Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal E Project), Series 2001."

"Shell for Central Ticketing Facility and Associated Ramp" shall mean those portions of the Central FIS that encase Lessee's Central Ticketing Facility together with the vehicle ramp adjacent thereto, as more fully described in Exhibit "A-9" of Exhibit "A" to this Agreement.

"South Concourse" shall mean those buildings, improvements, fixtures, equipment and related facilities as more fully described in Exhibit "A-1" to this Agreement and as more fully provided in the Program Definition Manual.

"South Concourse Phase" shall mean the City South Concourse Components and the Lessee South Concourse Components.

"Special Facilities" shall mean the Lessee Project Components, all extensions, additions, modifications and improvements thereto and all other improvements, fixtures, equipment and facilities that, pursuant to this Agreement or any supplement hereto or amendment hereof, are financed with any proceeds of the Series 2001 Bonds or any Additional Bonds.

"Special Facilities Payments" shall mean the rentals payable to the Trustee on behalf of the City pursuant to Section 6.01(a)(i) and (ii) hereof for the purpose of being applied to the payment of the Bonds and making required deposits to the Interest and Redemption Fund. Special Facilities Payments shall also include any Lessee Loss Payment made by Lessee upon an Event of Phase Termination and all Interim Special Facilities Payments that Lessee may elect to pay pursuant to Section 3.06.

"Subsidiary" shall mean any subsidiary of Lessee that is wholly owned as of the date hereof or that may become wholly owned provided that, during the exercise of rights hereunder by such entity as a Subsidiary, the Lessee shall be responsible for the actions of (including the payment of any activity fees incurred by) any such Subsidiary until such time as Lessee notifies the City in a writing delivered to the City that Lessee will no longer be responsible for the actions (or activity fees) of such Subsidiary, which notice Lessee shall have the right to give only if such Subsidiary ceases to be a wholly owned subsidiary of Lessee, and if such notice is given, then from and after (but not until) the date that the City approves (if at all) a partial assignment by Lessee to such Subsidiary of the space at the Airport occupied by such Subsidiary (along with a partial assignment of the rights utilized by such Subsidiary in connection with its operations at the Airport) in accordance with the provisions of Article 11 hereof, Lessee no longer shall be responsible for the actions (or activity fees) of such Subsidiary.

The term "Subsidiary" shall also mean, for any air carrier that on or after the date of this Agreement shall have been wholly owned by the Lessee and thereafter shall cease to be so wholly owned, such air carrier only with respect to those operations of such air carrier that are conducted under Lessee's name or a derivative of Lessee's name, if (i) Lessee shall have agreed to be responsible for such operations of (including payment of all related activity fees and charges incurred by) such air carrier to the same extent as if such operations were conducted by Lessee, which shall be evidenced by the Lessee's execution and delivery to the Director of an Agreement of Responsibility in substantially the form attached hereto as Exhibit "J" and (ii) the air carrier shall have executed and delivered to the Director an Acknowledgment and Reporting Agreement in substantially the form attached hereto as Exhibit "K".

"Substantial Completion" or "Substantially Completed" shall mean (i) with respect to the Lessee Project Components, the date on which the Lessee Project Components (or any Segment) shall be sufficiently completed to enable use and occupancy for their intended purpose, as evidenced by a certificate executed by an authorized Lessee representative, a licensed architect or another party approved by the Director and a Certificate of Occupancy issued by the City, (ii) with respect to the City Project Components, the date on which the City Project Components shall be sufficiently completed to enable use and occupancy for their intended purpose, as evidenced by a certificate executed by the Director and a Certificate of Occupancy issued by the City and (iii) with respect to the Terminal E Project, or either Phase thereof, the date on which both the Lessee Project Components and the City Project Components (or in the case of a Phase the Lessee Project Components and City Project Components within such Phase) are so certified to be sufficiently completed to enable use and occupancy for their intended purpose. Substantial Completion hereunder need not have the same meaning ascribed to it in construction contracts for elements of the Terminal E Project.

"Systems" shall mean the systems, facilities and improvements located on and serving the Airport, including but not limited to: (a) the access roads and other roadways serving the Terminal complex; (b) the interterminal passenger transportation system; (c) the heating, ventilation, and air conditioning (HVAC) plant and related distribution systems; (d) the terminal building mechanical areas and systems; and (e) the incinerators / compactors.

"Systems Costs" shall mean the total of annual City Operation and Maintenance Expenses and annual City Amortization charges associated with each of the Systems.

"Terminal D" shall mean the Mickey Leland International Airlines Building at the Airport.

"Terminal E Apron Area" shall mean the apron area more fully described in Exhibit "A-5" to this Agreement.

"Terminal E Fueling Facilities" shall mean the fueling facilities more fully described in Exhibit "A-6" to this Agreement.

"Terminal E Pedestrian Bridges" shall mean the pedestrian bridges more fully described in Exhibit "A-7" to this Agreement.

"Terminal E Project" or "Terminal E" shall mean collectively the Lessee Project Components and the City Project Components.

"Terminal E Utilities" shall mean the utilities more fully described in Exhibit "A-8" to this Agreement.

* * *

"Useful Life" shall mean the estimated period of time that a City Capital Improvement is to be recovered through the City Amortization process. In general, Useful Lives will be assigned to City Capital Improvements by the Director based on generally accepted accounting principles. For purposes of calculating rates and fees under this Agreement, improvements to the City Project Components financed by the City through means other than Bonds will be assigned Useful Lives of 25 years.

* * *

ARTICLE 3
LEASE AND TERM; GRANT OF EASEMENTS AND GROUND LEASES; EXCLUSIVE AND PREFERENTIAL USE SPACE

Section 3.01. Lease of Terminal E Project. Subject to the terms and conditions of this Agreement, the City hereby leases, lets and demises unto Lessee, and Lessee hereby leases and rents from the City, the

Terminal E Project, including the City Project Components, the Lessee Project Components and any additional Special Facilities.

Section 3.02. Term of Lease; Options to Extend. (a) The term of this Agreement shall commence on August 29, 2001 and shall continue, unless sooner terminated in accordance with this Agreement, until the later of (i) final scheduled maturity of the Series 2001 Bonds or (ii) the earlier of (x) 25 years from the date of beneficial occupancy of the Central FIS or (y) subject to continued compliance with Section 8.04(b), 36 years from the first date of beneficial occupancy of any Segment of the Lessee's Project Components (the "Expiration Date").

(b) Lessee shall have the option to extend the term of this Agreement for an additional 5-year period after the Expiration Date, subject to the conditions set forth below, upon giving written notice of such election to the Director no later than 1 year prior to the Expiration Date. Lessee's right to exercise such option is subject to the following conditions with respect to the period of such extension:

(i) For the Lessee Project Components, Lessee shall continue to pay applicable City Charges, but in lieu of the rentals payable under Section 6.01, Lessee shall pay an additional rental at the then-current market rate (which, to the greatest extent permitted by federal tax laws applicable to the Bonds, shall not exceed the overall level of rates then charged to other carriers for comparable space in Terminal D, taking into account the different ratemaking methodology in Terminal D) for all usable space other than public space and concession space;

(ii) All concessions located within the Lessee Project Components, and all revenues from such concessions, shall revert to the City; provided that, during the extended term hereof, Lessee shall be entitled to retain any concession revenues derived from Lessee's Terminal C-East ATO Garage Facility, unless the City elects (which the City shall have the right to do) to make the walkway connecting such facility to the South Concourse public space (in which case Lessee shall continue paying rentals for the remaining portion of the facility (but shall not continue paying Ground Rentals in respect of the walkway) in the same amount as Lessee was paying at the end of the initial term hereof for such space (including any adjustment thereto during the extended term hereof in accordance with Section 6.06(c) hereof); provided further that, if Lessee's use of the South Concourse is not exclusive during the extended term hereof pursuant to Section 3.02(b)(iii) hereof, then the City shall convert the walkway to public use as provided above; and

(iii) If any of the gates located in the South Concourse have not met the utilization standards which on June 1, 2001 were contained in Section 4.01C of the Continental Airport Use and Lease Agreement (based upon the use of such gates by Lessee, any Subsidiary and, to the extent permitted in Section 11.01, airlines with which Lessee has a formal code-share relationship) during the 12-month period ending 13 months prior to the Expiration Date, then continued use of those gates during the option period shall be on a preferential use basis and not on an exclusive basis. In such an event, the preferential rights herein provided for shall be subject to non-preferential use by other airlines as provided in Section 4.01C of the Continental Airport Use and Lease Agreement as in effect on June 1, 2001 (and when any such use is made by another, Lessee shall be compensated for such use by the user thereof in an amount reasonably acceptable to the City and Lessee).

* * *

ARTICLE 4
ISSUANCE OF SPECIAL FACILITIES BONDS; PAYMENT OF COSTS OF THE LESSEE PROJECT COMPONENTS

* * *

Section 4.02. Issuance of Additional Bonds and Additional Obligations. (a) The City, at the direction of Lessee, may issue Additional Bonds in amounts sufficient to pay (i) any part of the Costs of the Lessee Project Components not fully funded or provided for out of the proceeds of the Series 2001 Bonds, or (ii) the Costs of the Special Facilities for any additional Special Facilities approved pursuant to Section 5.05 hereof. The City agrees to use its Best Efforts to issue any Additional Bonds required under clause (i) above, and the Director shall cooperate

in a reasonable manner with Lessee to request the City to issue Additional Bonds under clause (ii) above; however, no representation is made or assurance given or implied by the City that it will be able to sell, issue and deliver Additional Bonds on terms and conditions satisfactory to Lessee or that it will agree to issue Additional Bonds for any other purpose than as set forth above. Moreover, the issuance of Additional Bonds is made subject to the same conditions enumerated in Section 4.01 and the additional condition that, if deemed necessary by the City, there shall have been executed a supplement to this Agreement to provide for the manner of construction, acquisition and payment for any additional Special Facilities to be financed with such Additional Bonds and to provide for any other matters reasonably deemed necessary by the City in connection with such financing. All Additional Bonds shall be secured and payable as provided in the Trust Indenture. Upon the issuance of any Additional Bonds, the Special Facilities Payments payable hereunder shall automatically be increased in the amounts required to provide for the full and timely payment of all principal, interest, redemption premiums, Trustee charges and other related costs and expenses on all Bonds then outstanding, including the Additional Bonds to be issued. However, the City shall not authorize the issuance of Additional Bonds until the terms thereof and of the supplement to the Trust Indenture relating thereto have been approved in writing by Lessee, which written approval shall be conclusively binding upon Lessee. Lessee hereby grants such approval in advance for the issuance of Additional Bonds issued under Sections 6A.06 provided any such Additional Bonds have a final maturity and amortization schedule comparable to the Series 2001 Bonds unless otherwise agreed to by the Lessee and the City.

* * *

Section 4.04. Refunding Bonds. Lessee reserves the right to request the City from time to time to issue Refunding Bonds in any manner permitted by law for the purpose of refunding any of the Bonds from time to time outstanding. Although no representation is made or assurance given or implied by the City that it will agree to issue such Refunding Bonds or that it will be able to sell, issue and deliver such Refunding Bonds on terms and conditions satisfactory to the Lessee, the City agrees to use its Best Efforts to issue Refunding Bonds at Lessee's request provided they have a similar maturity pattern, similar redemption features and similar security. All Refunding Bonds, if any, shall be secured and payable as provided in the Trust Indenture, and the Special Facilities Payments payable hereunder shall automatically be adjusted to provide for the full and timely payment of all principal, interest, redemption premiums, Trustee charges and other related costs and expenses on all Bonds to be outstanding following the issuance of the Refunding Bonds. Notwithstanding the foregoing, the City shall not authorize the sale of any Refunding Bonds or authorize any supplement to the Trust Indenture for such purpose until the terms of such Refunding Bonds and the supplement to the Trust Indenture are approved in writing by Lessee in the manner provided in Section 12.04 hereof, and it is provided further that the City's receipt of such approval shall be conclusively binding upon Lessee.

Section 4.05. Optional Redemption of Bonds. The City agrees that at the written request of Lessee, the City will exercise any reserved right of optional redemption for any of the Bonds, provided that Lessee makes such request in sufficient time as specifically set forth in the Trust Indenture to permit the City to give any notice required by the Trust Indenture and provided further that Lessee gives the City adequate assurances (i) that it will pay all additional Special Facilities Payments required to provide for the payment of the applicable redemption price for such Bonds, together with any related costs and expenses in connection with such redemption, or (ii) that Refunding Bonds will be issued to finance all such costs and expenses or (iii) any combination thereof.

ARTICLE 6
SPECIAL FACILITIES PAYMENTS; OTHER RENT AND CHARGES

Section 6.01. Special Facilities Payments While Bonds Outstanding. (a) Lessee shall pay to the City, by depositing directly with the Trustee for the account of the Interest and Redemption Fund, for so long as any Bonds remain Outstanding within the meaning of the Trust Indenture, the following amounts at the following times:

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

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

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

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

(ii) immediately upon receipt of written notice from the Trustee for the Bonds advising it that such amounts are due and payable:

(A) all unpaid principal, accrued interest and redemption premiums on all Bonds which are declared due and payable under any extraordinary redemption or acceleration provision in the Trust Indenture.

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

provided, however, that during the Construction Period for each Phase, Lessee's obligations with respect to an amount of Bonds equal to the Allocated Bond Amount for such Phase are subject to the limitations in Article 6A and, except for (i) Interim Special Facilities Payments that Lessee elects to pay under Section 3.06, (ii) portions of any Completion Payment made under Section 6A.06 representing interest and (iii) any Lessee Loss Payment(s) payable as provided in Article 6A, interest on (but not principal of) an amount of Bonds equal to the Allocated Bond Amount for such Phase during such period and all allocable charges and payments described in clause (iii) above during such period shall be payable directly by the Trustee from the appropriate account or subaccount for such Phase within the Construction Fund maintained under the Trust Indenture.

(b) The Special Facilities Payments payable under subsection 6.01(a) of this Agreement shall be reduced by the total of any amounts then on deposit in the Interest and Redemption Fund in excess of the amount then needed for the purpose of paying previously matured interest, principal, matured or redeemed Bonds, and redemption premiums, if any, whether such excess amounts become available by reason of (i) amounts deposited in the Interest and Redemption Fund from the proceeds of the Bonds for the purpose of providing capitalized interest or otherwise, (ii) previous overpayments of Special Facilities Payments, (iii) surplus funds from proceeds of the Bonds deposited to the credit of such Interest and Redemption Fund at the end of the construction and acquisition of all of the Lessee Project Components as provided in Section 4.03(b), (iv) interest earnings from the investment or deposit of any amounts from time to time credited to the Interest and Redemption Fund as provided in the Trust Indenture, or (v) any other circumstance which results in funds being properly deposited in the Interest and Redemption Fund or in any other fund or account held by the Trustee under the Trust Indenture that are available for such purpose. The reductions in the Special Facilities Payments contemplated by this subsection 6.01(b) shall be made by applying such excess amounts as a credit(s) against the next Special Facilities Payments payment(s) due after such excess amounts have actually become available in the Interest and Redemption Fund, until such excess amounts are exhausted. The Trust Indenture shall require the Trustee to calculate such reductions and furnish them to Lessee and the City in a timely manner prior to the date on which the applicable Special Facilities Payment is payable. In the event the Trustee fails to furnish the amount of any such reduction, it shall not in any way affect or reduce the obligation to pay as Special Facilities Payments the full amount provided in subsection 6.01(a) hereof. After all Special Facilities Payments have been paid and no Bonds remain Outstanding within the meaning of the Trust Indenture and no amounts remain due and owing under the Trust Indenture, then, any amounts remaining in the Interest and Redemption Fund which are paid over to the City by the Trustee shall be deemed overpayments of Special Facilities Payments and paid over by the City to Lessee within 30 days of their receipt by the City.

* * *

Section 6.02 Obligation to Pay Special Facilities Payments Unconditional. It is understood and acknowledged that the Bonds will be sold to the purchasers thereof in reliance upon the commitment to make the payments of Special Facilities Payments provided in Section 6.01(a) above and elsewhere as provided herein, subject only to the reductions provided in Section 6.01(b) and the limitations in Article 6A. Accordingly, subject to the above-referenced limitations, the obligation to make the payments of Special Facilities Payments thus required shall be absolute and unconditional and so long as the Bonds remain Outstanding within the meaning of the Trust Indenture, but except as expressly provided in Article 6A, (i) there shall be no suspension or discontinuance of any payments of Special Facilities Payments provided herein or any offset against obligations to pay such amounts or

recoupment of any amounts so paid, and (ii) there will be no termination of this Agreement or other effort to seek to avoid or to reduce the payment of Special Facilities Payments for any reason, including without limiting the generality of the foregoing, termination of the Use Agreement, failure to complete the Lessee Project Components, voluntary or involuntary bankruptcy of the City, any Event of Default hereunder, failure to complete the construction or acquisition of any other Special Facilities, failure of the City to pay or cause to be paid any Costs of the Special Facilities (but without limiting the City's obligations under Section 4.03 hereof) or any acts or circumstances that may constitute failure of consideration, destruction or damage to or condemnation of such facilities, or frustration of purpose, any change in the tax or other laws of the United States of America or the State of Texas, or any political subdivision of either thereof or any failure of the City to perform or observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement. It is provided, however, that nothing contained in this Section shall be construed to release the City from the performance of any of the agreements on its part herein contained, and in the event the City should fail to perform such agreement, the Lessee may, without limitation of any other rights that the Lessee may then have, institute such actions against the City as it may deem necessary to compel the performance thereon, to seek damages or other relief or to restrain or enjoin forbidden acts provided that such institution of such actions shall not result in a reduction of the payment of Special Facilities Payments hereunder.

Section 6.03 Pledge of Special Facilities Payments. It is expressly understood and agreed that the Special Facilities Payments payable hereunder shall be pledged to the payment of the Bonds and amounts due under the Trust Indenture in accordance with the Trust Indenture, and that, so long as any Bonds remain Outstanding, such Special Facilities Payments shall be paid in the amounts and manner herein specified. In the Trust Indenture the City shall covenant not to permit any modification of or amendment to Section 6.01 of this Agreement or to any other provision hereof that would have the effect of reducing, altering or modifying the obligations to pay Special Facilities Payments contained herein or would materially minimize, reduce or lessen the rights of the City after an Event of Default in the payment of Special Facilities Payments or would materially and adversely affect the security provided for the payment of the Bonds, and no such modification or amendment hereto shall be permitted while the Bonds remain Outstanding.

Section 6.04 Operation and Maintenance and City Charges Relating to Lessee Project Components and Other Special Facilities. The Special Facilities Payments, which are pledged to the payment of the Bonds under the Trust Indenture, are intended to be a net return to the City. Accordingly, in addition to the payment of all Special Facilities Payments hereunder, except as expressly provided herein, following Substantial Completion of the Terminal E Project, Lessee shall pay all of the following additional amounts with respect to the Terminal E Project: (i) all operation and maintenance costs and expenses applicable to the Lessee Project Components and other Special Facilities, including, without limitation, utility costs, any insurance premiums applicable thereto, any and all ad valorem or other property taxes lawfully levied or assessed against the Lessee Project Components and other Special Facilities or Lessee's leasehold estate therein, any and all lawful excise and other types of taxes imposed on or in respect of such properties, the expenses of upkeep thereof of every kind and character, including the repair or ordinary restoration thereof, and every other item of expense imposed on Lessee pursuant to Section 8.01 and other provisions of this Agreement and (ii) all water, sewage, electricity, gas and other utility charges which may be charged to the Lessee for the use thereof.

* * *

Section 6.06 Ground Rentals. (a) Lessee shall pay to the City as Ground Rentals for the Ground Lease Properties, subject to the special provisions set forth below, the following: (i) for the South Concourse footprint, $0.32 per square foot per year, beginning upon the date of Substantial Completion of the Central FIS, and escalating 15% on each succeeding fifth year anniversary thereof during the term of this Agreement, payable monthly in advance and (ii) for the footprint of Lessee's Central Ticketing Facility, $0.32 per square foot beginning upon the date of Substantial Completion of the Central FIS, and escalating 15% on each succeeding fifth year anniversary thereof during the term of this Agreement payable monthly in advance.

(b) Notwithstanding the foregoing, from the date of closing on the Series 2001 Bonds, until Substantial Completion of the Central FIS, the Ground Rentals payable under 6.06(a) shall be in an amount equal to 50% of the rate set forth above.

(c) Commencing at the time that Lessee commences construction in such area as provided more specifically below in this Section 6.06(c), Lessee shall pay to the City as Ground Rentals for the use of the footprint of the Lessee's Terminal C-East Garage ATO Facility an amount equal to the product of (i) the then average daily parking space revenues per parking space for the Terminal C Garages (it being acknowledged that such parking revenues may increase or decrease after the date hereof if parking rates and parking utilization increase in the Terminal C Garages) multiplied by (ii) the number of parking spaces that are no longer available for parking use for such reason. Lessee shall not be required to commence paying the Ground Rental provided for in this Section 6.06(c) until the time that Lessee begins construction of its improvements in the Lessee's Terminal C-East ATO Facility and such parking spaces are no longer available for use. The Ground Rental payable under this Section 6.06(c) shall initially be based on average daily parking space revenues of $9.27 per day, and shall thereafter be adjusted annually as of July 1 based on the average daily parking space revenues derived by the City at such time in the Terminal C Garages (or the Terminal C-East Garage from and after the date the City is able to determine average parking space revenues for the Terminal C-East Garage only).

Section 6.07 City Charges. The following provisions shall apply with respect to the various elements of City Charges payable with respect to the Terminal E Project based upon normal Airport-wide cost allocation methodology consistently applied on a Fiscal Year basis through December 31, 2017:

A. *City Charges Allocable to Terminal E*. Following the Substantial Completion of each Phase of the Terminal E Project, Lessee shall pay the City monthly amounts sufficient to reimburse City for:

1. Direct and indirect City Operation and Maintenance Expenses allocable to such Phase of the Terminal E Project (other than the Terminal E Apron Area); provided that, it is acknowledged by the City that the only direct City Operation and Maintenance Expenses allocable to any Lessee Project Components shall be those City Operation and Maintenance Expenses, if any, as are incurred by the City for the sole benefit of such Lessee Project Components, such as, without limitation, any security personnel assigned thereto.

2. City Amortization of the unamortized costs of each City Capital Improvement allocable to such Phase (other than the Terminal E Apron Area) as of June 30, 1998 over the remaining useful life of the City Capital Improvement at the weighted City's Cost of Capital for all City Capital Improvements at the Airport at that date.

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

4. Interest on the cost of land allocable to such Phase of the Terminal E Project (other than the Terminal E Apron Area) computed at City's historical average City's Cost of Capital.

5. Annual Systems Costs allocable to such Phase of the Terminal E Project.

6. Annual replenishment of the Renewal and Replacement Fund allocable to such Phase of the Terminal E Project (other than the Terminal E Apron Area), if necessary, as required by the City's Airport System Revenue Bond ordinances.

B. *Terminal E Apron Area Charges*. Following the Substantial Completion of the South Concourse Phase, Lessee shall pay the City monthly amounts sufficient to reimburse the City for:

1. Direct and indirect City Operation and Maintenance Expenses allocable to the Terminal E Apron Area.

2. City Amortization of the unamortized net cost of each City Capital Improvement allocable to the Terminal E Apron Area (including improvements associated with the Terminal E Fueling

Facilities) as of June 30, 1998 over the remaining Useful Life of the City Capital Improvement at the weighted City's Cost of Capital for all City Capital Improvements at the Airport as of that date.

3. City Amortization of the net cost of each City Capital Improvement placed in service allocable to the Terminal E Apron Area on or after July 1, 1998.

4. Interest on the cost of land allocable to the Terminal E Apron Area computed at the historical average of the City's Cost of Capital.

5. Annual Systems Costs allocable to the Terminal E Apron Area.

6. Annual replenishment of the Renewal and Replacement Fund allocable to the Terminal E Apron Area, if necessary, as required by City's Airport System Revenue Bond ordinance.

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

C. *Automated People Mover System Charges*. Following the Construction Period, but not until completion of the extension of the Automated People Mover currently operating between Terminals B and C at the Airport (the "APM") so that it provides service to the Terminal E Project, then Lessee shall pay the City monthly in advance amounts sufficient to reimburse the City for APM fixed costs and APM variable costs as follows:

1. Fixed Costs: Fixed costs shall include the costs of the guideway structures, control system and stations. Until extended to Terminal A, the costs of guideway structures and control systems shall be separately identified and tracked by link, and the cost of each link shall be allocated equally (50%/50%) between the two terminals served by the link, except for any link to an APM Maintenance Facility, which shall be allocated entirely to the APM Maintenance Facility. The fixed costs of each station shall be allocated to the terminal served by that station. Fixed costs associated with the APM Maintenance Facility, power distribution and central controls shall be allocated equally among terminals served by the system. The APM Maintenance Facility shall be amortized over 10 years if the City reasonably determines that it is an interim facility and 25 years if the City reasonably determines that it is a permanent facility.

2. Variable Costs: Variable costs shall include City Operation and Maintenance Expenses and annual Systems Costs allocable to the APM and amortization of the cost of vehicles (or, in the case of the original two vehicles for the Terminal B-C link, debt service on the Series 1997A Bonds or, if such Series 1997A Bonds are refinanced by the City, the debt service on such refunding bonds or other City funds allocable to those two vehicles). Until extended to Terminal A, variable costs shall be allocated in a two-step process. First, variable costs will be allocated to links between Terminals B and C and between Terminals C and D/E based on the number of vehicle-trips traversed on each link. (One vehicle moving from one terminal station to another terminal station is one vehicle-trip. APM control systems will be designed to account for vehicle trips by link). Second, variable costs allocable to each link will be further allocated equally (50%/50%) between the terminals served by each link. For this purpose, Terminals D and E will be considered a single terminal.

3. Assessment of APM Charges: APM charges will be assessed to the airlines whose passengers use the APM in the following manner:

(a) The annual fixed and variable costs of the APM will be determined in accordance with paragraphs C.1 and C.2.

(b) Total estimated APM costs will be allocated to terminals based on the allocation methods described in paragraphs C.1 and C.2 above. Within any terminal, total allocable APM costs will be further allocated to airlines based on passengers enplaning

in such terminal. Within the Terminal D/E and Central FIS complex, 50% of APM costs will be allocated to the Central FIS and recovered through Central FIS charges, and the remaining 50% of the costs will be allocated based on total (international and domestic) enplaned passengers using Terminals D and E.

(c) APM charges will be payable monthly.

D. *Other Charges*. Following the Construction Period, City reserves the right to assess, and Lessee agrees to pay, reasonable charges for the use of City-provided facilities that benefit the Terminal E Project, including but not limited to: employee parking facilities; flight information display systems; public address systems; and issuance of security identification badges.

* * *

ARTICLE 8
LESSEE'S OBLIGATIONS AND CONDITIONS TO LESSEE'S USE OF SPECIAL FACILITIES

Section 8.01 Maintenance of Special Facilities and Terminal E Apron Area at Lessee's Expense. Subject to the other terms of this Agreement, Lessee shall throughout the term of this Agreement assume the entire responsibility, cost and expense for the operation and all repair and maintenance whatsoever of the Special Facilities, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Additionally, without limiting the generality of the foregoing, Lessee shall:

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

(b) Replace or substitute any furnishings, fixtures and equipment constituting a part of the Special Facilities which are reasonably considered by the Director to have become inadequate, worn out or unsuitable with furnishings, fixtures and equipment having a value at least as great as the original value of the furnishings, fixtures and equipment replaced or substituted; provided, however, that unencumbered title (free of all liens) to all replacement or substitute furnishings, fixtures and equipment, unless removable by Lessee in accordance with Section 5.06 hereof, automatically shall vest in the City as provided herein.

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

(d) Lessee shall perform or cause to be performed such cleaning of the Terminal E Apron Area as shall be necessary to keep it in a clean, neat and orderly condition free of foreign objects and shall periodically on an as-needed basis remove grease, oil and fuel spills caused by Lessee with ramp scrubbing equipment and repair any foreign object damage.

Section 8.01A Maintenance of City Project Components and APM.

(a) *Lessee Project Components*. For the Lessee Project Components, the City shall have no maintenance obligations.

(b) *Terminal E Apron Area*. City shall provide structural maintenance for the Terminal E Apron Area.

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

(d) *Certain Public Areas of Terminal E*. If the term of this Agreement is extended pursuant to Section 3.02(b), the City will operate, maintain and keep in good, sanitary and neat condition and repair the public areas of the Terminal E Project (except for those areas therein leased to others for their exclusive use) and all additions, improvements and facilities now or hereafter provided by City at or in connection with the terminal buildings and for common use by all lessees and the public, excepting any improvements or facilities constructed or installed by Lessee, either individually or jointly with others, and those that Lessee has agreed under the provisions hereof to operate or maintain as aforesaid. City will keep the roof, structure and utility systems of the terminal buildings in good repair. City will keep the public areas in and around the terminal buildings adequately supplied, equipped and furnished to accommodate the public using same and will operate and maintain directional signs in said public areas, including by way of example, but not by way of limitation, signs indicating the location in the terminal buildings of public facilities provided by City on the Airport. City will use reasonable efforts to provide (1) sufficient heat and air conditioning to those areas on the Airport equipped for such service; (2) illumination and drinking water in the public areas in the terminal buildings; (3) adequate lighting for the public vehicular parking facilities and aircraft apron; and (4) such janitorial and cleaning services as necessary to keep the public areas of the terminal buildings and areas adjacent thereto in a reasonably presentable and usable condition at all times.

(e) *Automated People Mover System*. Upon extension of the APM to serve the international facilities area, the City shall purchase, acquire, and/or assume Lessee's leasehold obligations for the Terminal B-C Link of the APM with respect to the Series 1997A Bonds and shall take over operating control of the APM and, unless otherwise mutually agreed, assume such responsibility for operating and maintaining the APM and use its best efforts to cause the APM to be operated so as to provide the same or substantially similar levels of service (based on frequency and capacity) to the international facilities area as was provided to Terminals B and C prior to such date.

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

Section 8.02 Taxes, Charges, Utilities, Liens. (a) Lessee shall pay all taxes that may be levied, assessed or charged upon the Special Facilities or Lessee's leasehold estate therein by the State of Texas or any of its political subdivisions or municipal corporations, and shall obtain and pay for all licenses and permits required by law. However, Lessee shall have the right to contest, in good faith, the validity or application of any such tax, license or permit and shall not be considered in default hereunder as long as such contest is in progress and diligently prosecuted. City agrees to cooperate with Lessee in all reasonable ways in connection with any such contest other than a contest of any tax, permit or license of the City.

(b) Lessee shall pay for all water, heat, electricity, chilled water, sewer rents and other utilities to the extent that such utilities are furnished to the Special Facilities other than those provided pursuant to (and for which Lessee pays, or is not required thereunder to pay for such items) the Use Agreement.

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

* * *

Section 8.04 Compliance with Tax Law. With respect to the Special Facilities, Lessee hereby covenants and agrees as follows:

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

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

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

* * *

Section 8.06 City's Right To Maintain or Repair Special Facilities. In the event Lessee fails (i) to commence within thirty (30) days after written notice from the Director to do any maintenance or repair work to the Special Facilities required to be done under the provisions of this Agreement, other than preventive maintenance; (ii) to commence such maintenance or repair work within a period of ninety (90) days if such notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only; or (iii) to diligently continue to completion any such maintenance or repair work as required under this Agreement; then, the Director or the City may, at its option, and in addition to any other remedies which may be available to it, enter the Special Facilities, without such entry causing or constituting a cancellation of this Agreement or an interference with the possession of the Special Facilities, and repair, maintain, replace, rebuild or paint all or any part of the Special Facilities and do all things reasonably necessary to accomplish the work required, and the reasonable cost and expense thereof shall be payable to the City by Lessee on written demand; provided, however, if in the reasonable opinion of the Director or the City, the Lessee's failure to perform any such repair or maintenance endangers the safety of the public, the employees or other tenants at the Airport, and the Director or the City so states same in its notice to Lessee, the Director or the City may perform such maintenance at any time after the giving of such notice, and Lessee agrees to pay to City the reasonable cost and expense of such performance on demand. In the event of the performance by City of any maintenance or repair work on the Special Facilities, City shall use all reasonable efforts to minimize any interference with or interruption of Lessee's business operations.

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ARTICLE 9
LIABILITY, INSURANCE AND CONDEMNATION

Section 9.01 Release and Indemnification of City and Trustee.

A. THE LESSEE, ITS SUCCESSORS AND ASSIGNS OF THIS AGREEMENT (IN THIS SECTION, THE "AIRLINE") HEREBY RELEASE, RELINQUISH AND DISCHARGE THE CITY, ITS PREDECESSORS, SUCCESSORS, ASSIGNS, LEGAL REPRESENTATIVES AND ITS COLLECTIVE FORMER, PRESENT AND FUTURE AGENTS, EMPLOYEES AND OFFICERS (COLLECTIVELY IN THIS SECTION "CITY") FROM ANY LIABILITY OF THE CITY (i) FOR ANY DAMAGE TO PROPERTY OF AIRLINE OR (ii) FOR CONSEQUENTIAL DAMAGES SUFFERED BY AIRLINE, WHERE ANY SUCH DAMAGE IS SUSTAINED IN CONNECTION WITH OR ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT.

B. WITH NO INTENT TO AFFECT AIRLINE'S ENVIRONMENTAL INDEMNIFICATION SET FORTH IN SECTION 8.05(K), AIRLINE, EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD THE CITY COMPLETELY HARMLESS FROM AND AGAINST (BUT SUBJECT TO SECTIONS D, E

AND F HEREOF): (I) ANY AND ALL LIABILITIES, LAWSUITS, CAUSES OF ACTION, LOSSES, CLAIMS, JUDGMENTS, DAMAGES, FINES OR DEMANDS ARISING BY REASON OF OR IN CONNECTION WITH THE ACTUAL OR ALLEGED ERRORS, OMISSIONS, OR NEGLIGENT ACTS OF AIRLINE OR OF THE CITY OR IN CONNECTION WITH THE CITY'S OBLIGATIONS UNDER SECTION 6A.04(b), IN CONNECTION WITH OR ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, BODILY INJURY, ILLNESS, PHYSICAL OR MENTAL IMPAIRMENT, DEATH OF ANY PERSON, OR THE DAMAGE TO OR DESTRUCTION OF ANY REAL OR PERSONAL PROPERTY; AND (II) ALL COSTS FOR THE INVESTIGATION AND DEFENSE OF ANY AND ALL LIABILITIES, LAWSUITS, CAUSES OF ACTION, LOSSES, CLAIMS, JUDGMENTS, DAMAGES, FINES OR DEMANDS REFERRED TO IN THE PRECEDING CLAUSE (I) INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEY FEES, COURT COSTS, DISCOVERY COSTS, AND EXPERT FEES. SUBJECT TO SUBSECTIONS D, E AND F HEREOF, AIRLINE'S AGREEMENT TO PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY EXPRESSLY EXTENDS TO THE ACTUAL OR ALLEGED JOINT OR CONCURRENT NEGLIGENCE OF CITY AND AIRLINE.

C. UPON THE FILING BY ANYONE OF ANY TYPE OF CLAIM, CAUSE OF ACTION, OR LAWSUIT AGAINST THE CITY FOR ANY TYPE OF DAMAGES ARISING OUT OF INCIDENTS FOR WHICH CITY IS TO BE INDEMNIFIED BY AIRLINE PURSUANT TO THIS SECTION 9.01, THE CITY SHALL, WITHIN 45 DAYS OF CITY BECOMING AWARE THEREOF, NOTIFY AIRLINE OF SUCH CLAIM, CAUSE OF ACTION OR LAWSUIT. IN THE EVENT THAT AIRLINE DOES NOT SETTLE OR COMPROMISE SUCH CLAIM, CAUSE OF ACTION, OR LAWSUIT AT ITS OWN COST, TO THE EXTENT AIRLINE IS REQUIRED TO INDEMNIFY CITY PURSUANT TO THIS SECTION 9.01, THEN AIRLINE SHALL UNDERTAKE THE LEGAL DEFENSE OF SUCH CLAIM, CAUSE OF ACTION, OR LAWSUIT AT ITS OWN COST THROUGH COUNSEL OF RECOGNIZED CAPACITY OR OTHERWISE NOT REASONABLY DISAPPROVED BY THE CITY BOTH ON BEHALF OF ITSELF AND ON BEHALF OF CITY UNTIL FINAL DISPOSITION, INCLUDING ALL APPEALS. THE CITY MAY, AT ITS SOLE COST AND EXPENSE, PARTICIPATE IN THE LEGAL DEFENSE OF ANY SUCH CLAIM, CAUSE OF ACTION, OR LAWSUIT BY AIRLINE TO DEFEND AGAINST SUCH CLAIM, CAUSE OF ACTION OR LAWSUIT. ANY FINAL JUDGMENT RENDERED AGAINST CITY FOR ANY CAUSE FOR WHICH CITY IS TO BE INDEMNIFIED AGAINST PURSUANT TO THIS SECTION 9.01 SHALL BE CONCLUSIVE AGAINST AIRLINE AS TO LIABILITY AND AMOUNT UPON THE EXPIRATION OF THE TIME FOR ALL APPEALS.

D. THE PROVISIONS OF SECTION 9.01B AND C HEREOF SHALL NOT APPLY TO ANY CLAIM OR DEMAND (I) ARISING AT ANY TIME WHEN THE CITY IS OPERATING THE LESSEE PROJECT COMPONENTS OR OTHER SPECIAL FACILITIES (OR IS RESPONSIBLE FOR THE OPERATION THEREOF PURSUANT TO ANY SUBLEASE OR OTHER AGREEMENT), (II) ARISING SOLELY FROM THE NEGLIGENCE OF THE CITY OR SOLELY FROM THE BREACH OF THE CITY'S EXPRESS OBLIGATIONS HEREUNDER, OR WHEN THE CITY IS MORE THAN 50% LIABLE, (III) IF SUCH CLAIM OR DEMAND RELATES TO ANY ACT OR OMISSION OCCURRING OUTSIDE THE PREMISES LEASED EXCLUSIVELY OR PREFERENTIALLY TO AIRLINE UNDER THIS AGREEMENT, UNLESS AIRLINE IS MORE LIABLE FOR (I.E., IS MORE AT FAULT FOR) SUCH CLAIM OR DEMAND THAN EACH OTHER PARTY TO SUCH CLAIM OR DEMAND, OR (IV) TO THE EXTENT THE CLAIM OR DEMAND IS COVERED UNDER THE INSURANCE CARRIED PURSUANT TO SECTIONS 9.02 AND 9.03 HEREOF; PROVIDED, THAT, IF (a) A CLAIM OR DEMAND IS MADE AGAINST AIRLINE BY A THIRD PARTY FOR WHICH AIRLINE HAS INSURANCE COVERAGE PURSUANT TO SECTIONS 9.02 AND 9.03 HEREOF, AND (b) THERE IS A DEDUCTIBLE CARRIED BY AIRLINE APPLICABLE TO SUCH CLAIM OR DEMAND (OR AIRLINE, THROUGH SELF-INSURANCE OR OTHER SELF-FUNDED INSURANCE PROGRAM, BEARS THE FINANCIAL RISK OF ANY PORTION OF SUCH CLAIM OR DEMAND AS TO THE DEDUCTIBLE ONLY), THEN THE PROVISIONS OF SECTION 9.01B AND C (AND BY REFERENCE, SUBSECTIONS D AND E HEREOF) SHALL APPLY TO SUCH PORTION OF THE CLAIM OR DEMAND THAT IS SUBJECT TO SUCH DEDUCTIBLE OR SELF-INSURANCE OF THE DEDUCTIBLE OR OTHER SELF-FUNDED INSURANCE PROGRAM AS TO THE DEDUCTIBLE (AND TO ANY OTHER PORTION OF THE CLAIM OR DEMAND AS TO THE CITY THAT IS NOT SATISFIED WITH INSURANCE PROCEEDS). FOR PURPOSES OF THIS SECTION, LESSEE STIPULATES THAT AS TO EACH CLAIM OR DEMAND THAT MAY BE SUBJECT TO THE PROVISIONS HEREOF, THE DEDUCTIBLE AMOUNT SHALL NEVER BE DEEMED TO BE GREATER THAN $1,000,000.

E. NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE CONTRARY, THE LIABILITY OF THE AIRLINE UNDER SECTION 9.01.B AND C SHALL NOT EXCEED $1,000,000 PER OCCURRENCE.

F. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT OR ANY OTHER AGREEMENT, DURING THE CONSTRUCTION PERIOD OF EACH PHASE, AIRLINE SHALL NOT BE REQUIRED TO INDEMNIFY OR DEFEND THE CITY FROM AND AGAINST ANY CLAIM OR OTHER MATTER THAT IS NOT CAUSED BY THE ACTIONS OR FAILURES TO ACT OF AIRLINE OR ANY OF AIRLINE'S CONTRACTORS OR SUBCONTRACTORS WHILE AIRLINE (OR ITS CONSTRUCTION AGENT) IS IN CONTROL, OR POSSESSION, OF THE CONSTRUCTION OF THE LESSEE PROJECT COMPONENTS INCLUDED IN SUCH PHASE, EXCEPT TO THE EXTENT THAT ANY SUCH CLAIM OR MATTER IS COVERED BY AIRLINE'S INSURANCE. FOR THE AVOIDANCE OF DOUBT, IT IS ACKNOWLEDGED THAT THE FOREGOING INDEMNITY OBLIGATIONS OF AIRLINE UNDER THIS ARTICLE 9 (INCLUDING THIS SUBSECTION F) SHALL ALSO APPLY IN THE EVENT OF ANY ACTUAL OR ALLEGED ERRORS, OMISSIONS, OR NEGLIGENT ACTS OF THE CITY WHEN THE LIABILITY, LAWSUIT, CAUSE OF ACTION, LOSS, CLAIM, JUDGMENT, DAMAGE, FINE OR DEMAND ARISES FROM THE ACTIONS OR THE FAILURES TO ACT OF AIRLINE OR ANY OF AIRLINE'S CONTRACTORS OR SUBCONTRACTORS WHILE AIRLINE (OR ITS CONSTRUCTION AGENT) IS IN CONTROL, OR POSSESSION, OF THE CONSTRUCTION OF THE LESSEE PROJECT COMPONENTS. IN THIS REGARD, AIRLINE ACKNOWLEDGES THAT PURSUANT TO THIS AGREEMENT, AIRLINE OR ITS CONSTRUCTION AGENT WILL BE IN CONTROL, OR POSSESSION, OF THE CONSTRUCTION OF THE LESSEE PROJECT COMPONENTS AT ALL TIMES DURING THE TERM HEREOF.

G. THE PROVISIONS OF SUBSECTIONS 9.01.B, C, D AND E SHALL BE INDEPENDENT OF ANY INDEMNITIES TO WHICH THE CITY MAY BE ENTITLED UNDER THE PROVISIONS OF ANY USE AGREEMENT OR ANY OTHER AGREEMENT.

H. LESSEE FURTHER AGREES, SUBJECT TO THE FOLLOWING PROVISO, TO INDEMNIFY THE TRUSTEE, ITS SUCCESSORS, OFFICERS, DIRECTORS AND EMPLOYEES, FOR AND TO HOLD THEM HARMLESS AGAINST ANY LOSS, LIABILITY OR EXPENSES INCURRED WITHOUT NEGLIGENCE, BAD FAITH, FRAUD, THEFT OR WILLFUL MISCONDUCT ON THEIR PART ARISING OUT OF OR IN CONNECTION WITH THE ACCEPTANCE AND ADMINISTRATION OF THE TRUST IMPOSED BY THE TRUST INDENTURE, INCLUDING THE COSTS AND EXPENSES OF DEFENDING THEMSELVES AGAINST ANY CLAIM OR LIABILITY IN CONNECTION WITH THE EXERCISE OR PERFORMANCE OF ANY OF THE POWERS OR DUTIES OF THE TRUSTEE UNDER THE TRUST INDENTURE; PROVIDED, HOWEVER, THAT PRIOR TO THE SUBSTANTIAL COMPLETION OF THE TERMINAL E PROJECT THIS OBLIGATION SHALL BE OF NO FORCE AND EFFECT.

Section 9.02 General Insurance Requirements. With no intent to limit Lessee's liability or the indemnification provisions herein, Lessee shall provide and maintain certain insurance in full force and effect at all times during the term of this Agreement and all extensions thereto, as set forth in Section 9.03 below. If any of the insurance is written as "claims made" coverage, then Lessee agrees to keep such claims made insurance in full force and effect by purchasing policy period extensions for at least three years after the expiration or termination of this Agreement.

Section 9.03 Risks and Minimum Limits of Coverage.

Worker's Compensation:	Statutory
Employer's Liability:	Bodily injury by accident - $1,000,000 (each accident) Bodily injury by disease - $1,000,000 (policy limit) Bodily injury by disease - $1,000,000 (each employee)
Commercial General Liability: (including broad form coverage, contractual liability, bodily and personal injury, and	Combined single limit of: $100,000,000 per occurrence/aggregate Products and Completed operations

products and completed operations)	$10,000,000 aggregate
All Risk (Covering each Phase or Segment of the Special Facilities following its Substantial Completion, including fire, lightning, vandalism, and extended coverage perils)	Replacement value of each Phase (or Segment) of the Special Facilities
Automobile Liability Insurance: (For automobiles used by Lessee in the course of its performance under this Agreement, including Lessee's non-owned and hired autos)	$5,000,000 combined single limit per occurrence

In connection with the design, construction, procurement and installation of the Special Facilities, Lessee shall contractually require its principal construction contractors and architects/engineers contracting with Lessee (as the case may be) to carry the following additional coverages and limits of liability, unless Lessee carries policies of insurance covering such risk (provided, however, if reasonable under the circumstances, Lessee may, with the concurrence of the Director, require lower limits of liability):

Professional Liability: (in the case of architects and engineers)	$2,000,000 per occurrence/aggregate
Builders Risk: (in the case of contractors)	Replacement value of each Phase of the Special Facilities up to an aggregate amount not less than the amount of expended Bond proceeds

(Aggregate limits are per 12-month period unless otherwise indicated.)

Section 9.04 Other Provisions.

A. Form of Policies. The insurance carried by Lessee may be in one or more policies of insurance, the form of which shall be reasonably satisfactory to the Director. Nothing the Director does or fails to do shall relieve Lessee from its duties to provide the required coverage hereunder (unless specifically provided otherwise in such action), and the Director's actions or inactions shall not be construed as waiving the City's rights hereunder.

B. Issuers of Policies. The issuer of any policy carried by Lessee shall have a Certificate of Authority to transact insurance business in the State of Texas and have a Best's rating of at least A- and a Best's Financial Size Category of Class VI or better, according to the most current edition of Best's Key Rating Guide, Property-Casualty United States. Each issuer must be responsible and reputable, must have financial capability consistent with the risks covered, and shall be subject to approval by the Director.

C. Insured Parties. Each policy carried by Lessee, except those for Workers Compensation, Professional Liability and Employer's Liability, shall name the City (and its officers, agents, and employees) as Additional Insured parties on the original policy and all renewals or replacements during the term of this Agreement. The City, the Trustee and Lessee shall be named joint Loss Payees on All Risk and Builders Risk coverages, subject to distribution of proceeds as provided elsewhere herein.

D. Deductibles. Subject to Section 9.01(D) herein, Lessee shall assume and bear any claims or losses to the extent of any deductible amounts (or deductible amounts that are self-insured by Lessee) and waives any claim it may ever have for the same against the City, its officers, agents, or employees.

E. Cancellation. Each policy carried by Lessee shall expressly state that it may not be canceled, materially modified or not renewed unless the insurance company gives thirty (30) days' advance written notice in writing to the Director.

F. Aggregates. Lessee shall give written notice to the Director within five (5) days of the date upon which total claims by any party against Lessee reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.

G. Subrogation. Each policy carried by Lessee shall contain an endorsement to the effect that the issuer waives any claim or right in the nature of subrogation to recover against the City, its officers, agents, or employees.

H. Endorsement of Primary Insurance. Each policy hereunder except Worker's Compensation and Professional Liability shall be primary insurance to any other insurance available to the Additional Insured and Loss Payee with respect to claims arising hereunder.

I. Liability for Premium. Lessee shall be solely responsible for payment of all insurance premiums for the policies required to be maintained by Lessee hereunder, and the City shall not be obligated to pay any premiums.

J. Contractors and Subcontractors. Lessee shall contractually require all its contractors, and all its contractors to require its subcontractors, to carry insurance naming the City and the Trustee as an additional insured; however, contractual liability shall be limited to the extent of such contractor's or subcontractor's indemnification obligations under the applicable contract. Such insurance shall meet all of the above requirements as Lessee can successfully require such contractors or subcontractors to meet, except amount. The amount shall be commensurate with the amount of the contract. Lessee shall provide copies of such insurance certificates to the Director.

K. Proof of Insurance. Within five (5) days of the effective date of this Agreement and at any time during the term of this Agreement, Lessee shall furnish the Director with certificates of insurance, along with an affidavit from Lessee confirming that the certificates accurately reflect the insurance coverage that will be available during the term. If requested in writing by the Director, Lessee shall furnish the City with certified copies of Lessee's insurance policies.

Notwithstanding the proof of insurance required to be carried by Lessee as set forth above, it is the intention of the parties hereto that Lessee, continuously and without interruption, maintain in force the required insurance as set forth above. Lessee agrees that the City shall never be argued to have waived or be estopped from asserting its right to terminate this Agreement hereunder because of any acts or omissions by the City regarding its review of insurance documents provided by Lessee, its agents, employees, or assigns.

Section 9.05 Disposition of Insurance Proceeds. In the event all of the Special Facilities or any part thereof is damaged or destroyed by an insured casualty and any Bonds remain Outstanding, then, notwithstanding any provision to the contrary herein or elsewhere (other than Article 6A), the following provisions shall be applicable to the expenditure of any insurance proceeds relating to such Special Facilities:

(i) If either (A) the insurance proceeds (less the cost of removing the debris resulting from such casualty) together with any moneys in the Interest and Redemption Fund are sufficient to pay all of the interest, principal and other obligations accrued and to accrue on said Bonds until they are fully and finally paid and all other amounts due under the Trust Indenture and the Lessee requests that the Special Facilities not be repaired or rebuilt, or (B) the insurance proceeds (less the cost of removing the debris resulting from such casualty) together with any moneys available in the Interest and Redemption Fund are insufficient for such purpose and the Lessee agrees to pay the deficiency and requests that the Special Facilities not be repaired or rebuilt, then in either case the Lessee may, if the casualty loss is substantial and if the Bonds are redeemed or defeased in whole, together with any unpaid but accrued interest, elect to terminate this Agreement and be released from all unaccrued obligations hereunder; provided that the insurance proceeds (less the cost of removing the debris resulting from such casualty) and the deficiency payments, if any, paid by the Lessee shall be deposited into the Interest and Redemption Fund for the Bonds and the moneys therein shall be applied to pay the obligations with respect to the Outstanding Bonds and other amounts due under the Trust Indenture. If the said proceeds and funds are in excess of the amount then necessary to pay the obligations with respect to the Outstanding Bonds and other amounts due

under the Trust Indenture, any such excess after payment or provision for the payment of the Bonds within the meaning of the Trust Indenture and other amounts due under the Trust Indenture has been made shall be divided between the City and the Lessee as their respective interests appear at the time of such damage or destruction; or

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

Section 9.06 Condemnation. In the event that the Special Facilities or any part thereof shall be taken or condemned in any eminent domain, condemnation, compulsory acquisition or like proceeding by any competent authority or conveyed under threat thereof for any public or quasi-public use or purpose and at such time Bonds remain Outstanding within the meaning of the Trust Indenture or any other amounts remain due under the Trust Indenture, then, notwithstanding any provision to the contrary herein or elsewhere (other than Article 6A), the condemnation proceeds shall be applied as follows:

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

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

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

Section 9.07 Reconstruction or Repair. The rebuilding of the Special Facilities under Sections 9.05 or 9.06 shall be either in accordance with the original plans and specifications, together with alterations or modifications made or agreed upon prior to the casualty or taking, or in accordance with new or modified plans and specifications, the alternative to be determined by the mutual agreement of the Lessee and the Director.

ARTICLE 10
EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default. The following shall be Events of Default as to the Lessee under this Agreement:

(a) Failure to pay any Special Facilities Payments required to be paid under Article 6 hereof within 5 calendar days of their due date.

(b) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement, other than as referred to in subsection (a) above, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Lessee by the City (except (i) if any insurance required to be maintained by Lessee is to be canceled or not renewed, such notice and the period for remedy by Lessee shall be limited to the period ending on the date on which such cancellation or nonrenewal is scheduled to occur and (ii) where fulfillment of another obligation requires activity over a period of time, and the Lessee shall commence to perform whatever may be required for fulfillment within thirty (30) days after the receipt of notice and shall diligently continue such performance without interruption, except for causes beyond its control).

(c) Any material lien shall be filed against the Special Facilities or Ground Lease Properties or Lessee's interest therein or any part thereof in violation of this Agreement by a party other than the City and shall remain unreleased (or not bonded around) for a period of sixty (60) days from the date of such filing unless within said period the Lessee is contesting in good faith the validity of such lien in accordance with Section 8.02(c) hereof.

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

(e) The dissolution or liquidation of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee within ninety (90) days to lift or obtain a stay of any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Special Facilities, or a general assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceeding for its reorganization or liquidation instituted under the provisions of the federal bankruptcy laws, or under any similar laws which may hereafter be enacted. The term "dissolution or liquidation of the Lessee," as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Lessee resulting either from a merger or consolidation of the Lessee into or with another corporation or a dissolution or liquidation of the Lessee following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 12.01 hereof.

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

Section 10.02 Remedies on Default. Whenever any Event of Default referred to in Section 10.01 hereof shall have happened and continue to exist, then, subject to the limitations in Article 6A, the City may take any one or more of the following remedial steps as against the Lessee:

(a) The City may, and upon a payment default under Section 10.01(a) or 3.06(b)(iii)(X) shall, re-enter and take possession of the Special Facilities and the Ground Lease Properties without terminating this Agreement and use its Best Efforts to (i) complete construction and equipping of the Special Facilities (and apply proceeds of the Bonds for such purpose) and (ii) either (x) operate the Special Facilities and impose rates and charges on airline tenants, as appropriate, for their availability, operation and maintenance or (y) sublease the Special Facilities and Ground Lease Properties on a net rent lease basis, provided further that in either event the City shall use its Best Efforts to impose and collect rates and charges or rental rates sufficient to provide for City Charges and Ground Rentals to the same extent as Lessee is obligated to do so and to provide additional amounts equal to the Special Facilities Payments set forth in Section 6.01, all for the account of the Lessee, holding the Lessee liable for the difference between the rents and other amounts payable by the Lessee hereunder and the charges received from airline tenants and/or the rents and other amounts received from any sublessee with respect to the Special Facilities. All gross proceeds derived by the City from any charges and/or rents (net of City Charges and any Ground Rent attributable to the period after such reletting commences, and up to the amount of all Special Facilities Payments payable hereunder) shall be remitted to the Trustee for deposit in the Interest and Redemption Fund to support repayment of the Bonds.

(b) The City may terminate this Agreement, exclude the Lessee from possession of the Special Facilities and the Ground Lease Properties and use its Best Efforts to (i) complete construction and equipping of the Special Facilities (and apply proceeds of the Bonds for such purpose) and (ii) either (x) operate the Special Facilities and impose rates and charges on airline tenants for their availability, operation and maintenance; or (y) lease the same on a net rent lease basis, provided further that in either event the City shall use its Best Efforts to impose and collect rates and charges or rental rates sufficient to provide for City Charges and Ground Rentals to the same extent as Lessee is obligated to do so and to pay the Special Facilities Payments set forth in Section 6.01, all for the account of the Lessee, holding the Lessee liable for all rents and other amounts due under this Agreement and not received by the City from charges or rents with respect to the Special Facilities. All gross proceeds derived by the City from any charges and/or rents (net of City Charges and any allocable Ground Rentals attributable to the period after such reletting commences, and up to the amount of all Special Facilities Payments payable hereunder) shall be remitted to the Trustee for deposit in the Interest and Redemption Fund to support repayment of the Bonds.

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

(d) In connection with any reletting of the Special Facilities and Ground Lease Properties, the City agrees to use its Best Efforts to relet such Special Facilities. It is recognized that such tenant(s) will also be required

to pay the City Ground Rentals and City Charges in connection with the use and occupancy of such Special Facilities. In connection with a reletting of the Special Facilities, the City agrees not to charge such tenant(s) Ground Rentals in excess of those charged (or that would be charged) to Lessee for the areas in such Special Facilities.

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

Section 10.03 Additional Remedy. In addition to the other remedies herein provided, the City may, in the case of an Event of Default under Section 10.01(b), enter the Special Facilities and Ground Lease Properties (without such entering causing or constituting a termination of this Agreement or an interference with the possession of the Special Facilities and Ground Lease Properties by Lessee) and do all things reasonably necessary to cure such Event of Default, charging to Lessee the reasonable cost and expense thereof and Lessee agrees to pay to City upon demand such charge in addition to all other amounts payable by Lessee hereunder.

Section 10.04 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or hereafter existing under law or in equity (to the extent not inconsistent with the terms hereof). No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, unless such notice is herein expressly required or is required by law.

Section 10.05 Agreement to Pay Attorneys' Fees and Expenses. In the event there should be an Event of Default under any of the provisions of this Agreement and the City should determine that the services of an attorney are required or the City incurs other expenses for the collection of rent or the enforcement of performance or observance of any obligation or agreement on the part of Lessee, the Lessee agrees that it will on demand therefor pay to the City the reasonable, just and necessary fee of such attorneys and other reasonable expenses so incurred.

Section 10.06 No Additional Waiver Implied by One Waiver. In the event any covenant contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Failure of either party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon an Event of Default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

Section 10.07 Enforcement by City Attorney. The City Attorney or his or her designee shall have the right to enforce all legal rights and obligations under this Agreement without further authorization. Lessee covenants to provide to the City Attorney all documents and records within Lessee's possession that the City Attorney reasonably deems necessary to assist in determining Lessee's compliance with this Agreement, with the exception of those documents made confidential by federal or state law or regulation and provided that the provision of such documents and records by Lessee shall further be limited in any respect that the provision of any documents or records by the City pertaining to this Agreement would be limited pursuant to Chapter 552, Texas Government Code, as amended, or otherwise.

ARTICLE 11
ASSIGNMENTS, SUBLETTING AND TERMINATION BY LESSEE

Section 11.01 Assignments and Subletting by Lessee. (a) This Agreement may not be assigned or otherwise transferred in whole or in part by Lessee (except pursuant to Section 12.01 hereof) without the prior written consent of the Director; provided, however, that, unless permitted by Section 7.6(b) of the Trust Indenture or Sections 11.02 and 12.01 hereof, the City will not consent to any assignment by Lessee of its rights hereunder without first obtaining a written agreement from the Lessee that Lessee shall remain primarily liable for Special

Facilities Payments hereunder. Lessee may, upon giving notice to the Director, sublet to concessionaires authorized pursuant to Section 7.03, and may sublet to or provide Ground Handling Services to Subsidiaries and to other domestic code-share affiliates of Lessee or a foreign flag code-share affiliate subject to the limitations in Section 7.04(b). Lessee may also sublet the Special Facilities or any part thereof to any other party, subject to the condition that in either instance Lessee first obtains the written consent of the Director to such subletting and all the terms thereof, unless such subletting is expressly authorized herein.

(b) If Lessee sublets all or any part of the Special Facilities or if all or any part of the Special Facilities are occupied (pursuant to a written consent from the Director) by anyone other than Lessee (including any Subsidiary of Lessee, a domestic code-share affiliate of Lessee or a foreign flag code-share affiliate subject to the limitations in Section 7.04(b)), the City may, if an Event of Default shall have occurred hereunder and be continuing, collect rent or Special Facilities Payments from such sublessee or occupant and the City shall apply the amount collected to the extent possible to satisfy the obligations of Lessee hereunder, but no such collection shall be deemed a waiver by the City of the covenants contained herein or an acceptance by the City of any such sublessee, claimant or occupant as a successor Lessee, nor a release of Lessee by the City from the further performance by the Lessee of the covenants imposed upon Lessee herein.

(c) NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, SO LONG AS ANY BONDS REMAIN OUTSTANDING NO SUCH SUBLEASE OR ASSIGNMENT SHALL BE AUTHORIZED IF IN ANY WAY IT RELEASES LESSEE FROM ITS PRIMARY OBLIGATIONS HEREUNDER, INCLUDING ITS OBLIGATION TO PAY SPECIAL FACILITIES PAYMENTS.

Section 11.02 Termination of Agreement by Lessee. Except as permitted in Article 6A, Lessee shall not terminate this Agreement for any reason whatsoever as long as any of the Bonds remain Outstanding within the meaning of the Trust Indenture or any other amounts are due and owing under the Trust Indenture.

ARTICLE 12
MISCELLANEOUS

Section 12.01 Lessee to Maintain Its Corporate Existence. The Lessee shall throughout the term hereof maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that the Lessee may, without violating the agreement contained in this Section, consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise dispose of all or substantially all of its assets as an entirety and thereafter dissolve, provided, if Lessee is not the surviving corporation, the surviving, resulting or transferee corporation, as the case may be, (i) assumes in writing all of the obligations of the Lessee herein and (ii) qualifies or is qualified to do business in Texas.

Section 12.02 Exempt Facilities. In order to assure that interest on the Bonds shall be exempt from federal income taxation, the Lessee covenants and agrees that it shall not, and it shall not permit or allow any other person to, construct, acquire, use, employ, modify, rebuild or repair the Lessee Project Components or any Special Facilities in any manner that would cause or allow it or them to be or become facilities which are not included within those set forth and described in Sections 142(a)(1) and (c) of the Internal Revenue Code of 1986, as amended, and the regulations prescribed thereunder, and the City covenants and agrees that it will not permit or allow any of the foregoing to occur. The Lessee hereby makes an irrevocable election, which it shall cause to be binding on all successors in interest under this Agreement, not to claim for federal income tax purposes depreciation or investment credit with respect to the Special Facilities or any component thereof. It is further agreed and acknowledged by Lessee that the City shall never be required or requested hereunder to issue any Bonds or expend any proceeds thereof to pay any Costs of the Special Facilities that would have the effect of causing interest on any of the Bonds not to be exempt from federal income taxation.

* * *

Section 12.08 Place of Performance; Laws Governing. This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas, the City Charter and Ordinances of the City of Houston, Federal law and all applicable State and Federal regulations.

Lessee acknowledges that, to the extent the City's Charter or Texas law requires any expenditure of funds that may be contemplated to be made by the City herein to be prefunded to be valid, then such expenditure shall be subject to City Council approval; provided, that, the City agrees to use its Best Efforts to obtain such approval.

* * *

Section 12.15 Most Favored Nation. Lessee shall have the same rights and privileges and pay the same City established fees and charges, not to exceed those established under the provisions of this Agreement as periodically revised under the terms hereof, with respect to the use of the Airport as are granted to or charged any other airline executing a use and lease agreement with City for use of the Airport. It is understood that ground rentals and lease rentals are set by City Council, as provided by City Charter, and to the extent permitted under applicable Federal law therefore may vary between lessees on account of the different premises to be leased at the time thereof. It is further understood that lease rentals and charges in terminal buildings, flight stations and associated aircraft apron areas constructed in the future and not described in this Agreement may vary from the lease rentals and charges established herein for the facilities, depending upon the capital cost and financing arrangements involved and, therefore may be more or less than the lease rentals established herein for similar facilities.

* * *

APPENDIX D

CERTAIN PROVISIONS OF THE GUARANTY

The following are selected provisions of the Guaranty from United Airlines, Inc. in favor of The Bank of New York Mellon Trust Company, National Association dated August 1, 2001 and amended and restated as of June 1, 2014 (the "Guaranty"). ***Such excerpts should be qualified by reference to other portions of the Guaranty referred to elsewhere in this Official Statement, and all references and summaries pertaining to the Guaranty in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Guaranty, a copy of which may be obtained from United. Provisions included herein are in substantially final form, but may change prior to the issuance of the Bonds and may thereafter be amended in accordance with the terms of the Guaranty.***

* * *

In order to induce the City of Houston, Texas (the "City") to issue the Series 2014 Bonds and any Additional Bonds and Refunding Bonds (each as defined in the Lease (as hereinafter defined)) issued pursuant to the Indenture (as hereinafter defined) (the Series 2014 Bonds and such Additional Bonds and Refunding Bonds will collectively be referred to herein as the "Bonds") and to provide for the refinancing of certain facilities occupied by United Airlines, Inc., formerly known as Continental Airlines, Inc. ("United"), and to induce The Bank of New York Mellon Trust Company, National Association, as trustee with respect to the Bonds (the "Trustee"), to affirm its obligations under the Trust Indenture dated as of August 1, 2001, between the City and the Trustee (the "Original Indenture") and assume its obligations under the First Supplemental Trust Indenture dated as of June 1, 2014, between the City and the Trustee (the "First Supplemental Indenture," and the Original Indenture as supplemented by the First Supplemental Indenture, the "Indenture"), in consideration of such actions, and for other good and valuable consideration, the receipt of which is hereby acknowledged, United hereby agrees with the Trustee in this Amended and Restated Guaranty (the "Guaranty") as follows:

1. Obligations Guaranteed.

(a) United hereby unconditionally guarantees to the Trustee, for the benefit of the registered owners of the Bonds (the "Bondholders") (i) the full and prompt payment of the principal amount of all Bonds when and as the same shall become due and payable as provided in the Indenture, whether at the stated maturity thereof, by redemption, acceleration or otherwise and (ii) the full and prompt payment of the interest and any premium due on all Bonds, when and as the same shall become due and payable as provided in the Indenture.

(b) The obligations covered by this Guaranty are intended by the parties hereto to be independent of those set out in, and enforceable without regard to the validity of enforceability of, all or any provisions of the Terminal E Lease and Special Facilities Lease Agreement dated as of August 1, 2001 (the "Lease") between United and the City, or any obligation of United contained therein.

(c) This Guaranty is a guarantee of payment only, and not a guarantee of collectibility.

* * *

3. Enforcement.

(a) If United fails to perform its obligations hereunder, the Trustee shall have the right to proceed immediately against United to enforce its rights under this Guaranty, *provided, however,* that the Trustee shall credit against United's payment obligations under this Guaranty any and all corresponding rental payments received from United pursuant to Section 6.01 of the Lease and, subject to the terms of the Indenture, any and all monies and securities held by and available to the Trustee for the purpose of paying the principal of, premium, if any, or interest due on the Bonds

under the Indenture. To the extent any Guaranty payments are made hereunder, such payments shall satisfy United's obligation to pay those amounts as rental payments pursuant to Section 6.01 of the Lease. To the fullest extent permitted by law, including, without limitation, any suretyship defenses pursuant to Chapter 34 of the Texas Business and Commerce Code, United hereby waives any defenses (other than the defense of payment or performance of the obligations contained herein) or benefits that may be derived from or afforded by any applicable law that may limit the liability of or exonerate guarantors, unless such defenses or benefits are reserved or provided herein.

(b) All monies received by the Trustee pursuant to any right given or action taken under the provisions of this Guaranty shall be deposited by the Trustee in the Interest and Redemption Fund (as defined in the Indenture) for the benefit of the Bondholders and such monies shall be applied by the Trustee in accordance with the terms of the Indenture.

(c) The Trustee shall be under no obligation to institute any suit or to take any remedial action under this Guaranty, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the enforcement of any rights and powers under this Guaranty until the Trustee shall have received a written request of the registered owners of at least a majority in aggregate principal amount of the Bonds then Outstanding (as defined in the Indenture) to do so and upon being indemnified by them to its satisfaction against any and all liability (including without limitation, reasonable compensation for services, costs and expenses, outlays, and counsel fees and expenses and other disbursements) not due to its negligence or willful misconduct.

(d) This Guaranty may be enforced only by the Trustee by such actions, suits and proceedings, at law and in equity, as may be necessary or expedient to preserve and protect its interests and the interests of the Bondholders hereunder.

4. United to Maintain Corporate Existence. Except as hereinafter provided in this Section 4, United agrees that during the term of this Guaranty it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; *provided*, that United is permitted to consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or to sell or otherwise dispose of all or substantially all of its assets as an entirety and thereafter dissolve, *provided*, if United is not the surviving corporation, the surviving, resulting or transferee corporation, as the case may be, (i) assumes in writing all United's obligations under this Guaranty and (ii) qualifies or is qualified to do business in the State of Texas. Except as provided above, this Guaranty may not be assigned by United.

5. Bankruptcy. In the event that all or any portion of the obligations covered by this Guaranty is paid or performed by United, the obligations of United hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the Trustee as a preference, fraudulent transfer or otherwise.

* * *

7. Amendment. This Guaranty may be amended by United and the Trustee without the consent of the Bondholders; provided, however, that if the provisions of such amendment would materially adversely affect the rights of the holders of the Bonds then Outstanding, the written consent of the holders of not less than a majority in principal amount of the Outstanding Bonds is required; provided, further, that if the provisions of such amendment would alter the amount of the guarantied obligations, consent of the holders of 100% in principal amount of the Outstanding Bonds is required.

* * *

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Bonds, payment of principal and purchase price, if any, and premium, if any, and interest and other payments with respect to the Bonds to Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in such Bonds and other related transactions by and among DTC, the Direct Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations is made concerning these matters, and neither the Direct Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, the City, United or the Trustee.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

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

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

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

THE CITY, UNITED AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO THE DIRECT PARTICIPANTS OR THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OR PURCHASE PRICE, IF ANY, OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, ITS DIRECT PARTICIPANTS OR ITS INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NONE OF THE CITY, UNITED AND THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE CITY KEPT BY THE TRUSTEE AS BEING A BONDHOLDER. THE CITY, UNITED, AND THE TRUSTEE SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (I) ANY OWNERSHIP INTEREST IN THE BONDS; (II) THE PAYMENT BY DTC TO ANY PARTICIPANT OR BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR PURCHASE PRICE, IF ANY, OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE

BONDS; (III) THE DELIVERY TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE; (IV) THE SELECTION BY DTC OR ANY PARTICIPANTS OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO.

SO LONG AS CEDE & CO. IS REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Discontinuance of Book-Entry System. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Trustee, or the City, with the consent of United, may also terminate its participation in the system of book-entry transfers through DTC or any other securities depository at any time. In the event that the book-entry system is discontinued, the Trustee will execute and make available for delivery, replacement definitive, fully-registered Bonds.

Transfer Fees. For every transfer and exchange of Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by the Trustee, DTC or the DTC Participant in connection with such transfers or exchanges.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT**, dated as of June 1, 2014 (the "Disclosure Agreement"), between United Airlines, Inc. (the "Company") and The Bank of New York Mellon Trust Company, National Association, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, pursuant to a Purchase Contract dated as of May 8, 2014 (the "Purchase Contract"), the City of Houston, Texas (the "City") intends to sell its Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT) (the "Bonds") to Citigroup Global Markets Inc. and the other underwriters named in Exhibit A thereto (each an "Underwriter" and, collectively, the "Underwriters"), and, in order to permit the Underwriters to satisfy their obligations under Securities and Exchange Commission Rule 15c2-12, the Company has agreed to enter into this Disclosure Agreement;

NOW, **THEREFORE**, for and in consideration of the agreement of the City to issue and sell the Bonds, and to induce the Underwriters to purchase the Bonds, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company **DOES HEREBY AGREE** with the Trustee for the benefit of the owners from time to time of the Bonds as follows:

SECTION 1. Definitions. In addition to the definitions set forth in the preamble of this Disclosure Agreement or in the Trust Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Airport" shall mean George Bush Intercontinental Airport/Houston.

"Annual Report" shall mean any Annual Report provided by the Company as described in Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean the Trustee, acting in its capacity as dissemination agent hereunder, or any successor dissemination agent designated in writing by the City and that has filed with the Trustee a written acceptance of such designation.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Lease" shall mean that certain Terminal E Lease and Special Facilities Lease Agreement, dated as of August 1, 2001, between the City and the Company (then known as Continental Airlines, Inc.).

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access ("EMMA") website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" shall mean the "final official statement," as defined in paragraph (f)(3) of the Rule, relating to the Bonds.

"Original Trust Indenture" shall mean that certain Trust Indenture, dated as of August 1, 2001, between the City and Chase Bank of Texas, National Association (predecessor-in-interest to The Bank of New York Mellon Trust Company, National Association), as trustee.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Exchange Act, 17 CFR § 240.15c2-12, as

the same may be amended from time to time.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the State of Texas.

"Trust Indenture" shall mean the Original Trust Indenture, as amended and supplemented by that certain First Supplemental Trust Indenture, dated as of June 1, 2014, between the City and the Trustee.

SECTION 2. Purpose of the Disclosure Agreement; Beneficiaries. This Disclosure Agreement is being executed and delivered by the Company for the benefit of the owners of the Bonds and in order to assist the Underwriters in complying with the Rule. The Company, the Underwriters and the Trustee acknowledge and agree that the City has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any holder of the Bonds, with respect to any such reports, notices or disclosures, and the Trustee has only the specific responsibilities set forth herein and is entitled in fulfilling its obligations hereunder to the indemnification from the Company and the City provided in the Lease and the Trust Indenture. This Disclosure Agreement does not apply to any other bonds issued or to be issued by the City, whether in connection with the Terminal E Project (as defined in the Lease) or otherwise. Because only the Company is directly responsible for making payments to support the payment of debt service on the Bonds, the Company is the sole "obligated person" under the Rule for whom financial information or operating data are presented in the Official Statement.

SECTION 3. Provision of Annual Reports.

(a) The Company shall, or shall cause the Dissemination Agent to, not later than the last day of the sixth month following the end of each fiscal year of the Company (which is currently December 31), commencing with the fiscal year ending December 31, 2014, file with the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 business days prior to such date, the Company shall file the Annual Report with the Dissemination Agent (if any) and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Company as disclosed below may be submitted separately from the balance of the Annual Report. If the Company's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) If by the date which is the last day of the sixth month following the end of the applicable fiscal year of the Company, the Trustee has not received notification that an Annual Report has been filed with the MSRB as required by Section 3(d)(ii), the Trustee shall contact the Company and the Dissemination Agent (if any) to determine if the Company is in compliance with subsection (a).

(c) If, after contacting the Company and the Dissemination Agent as required by subsection (b), the Trustee is unable to verify (based on information provided by the Company and/or the Dissemination Agent) that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice promptly to the MSRB in substantially the form attached hereto as Exhibit A.

(d) The Company agrees that it shall:

(i) file or cause to be filed each year the Annual Report with the MSRB; and

(ii) send or cause to be sent to the Trustee (if the Dissemination Agent is not the Trustee) a notice certifying that the Annual Report has been provided to the MSRB as required by Section 3(a) of this Disclosure Agreement, stating the date it was filed.

SECTION 4. Content of Annual Reports. The Company's Annual Report shall consist of the following:

1. (a) The Company's report on Form 10-K (which may be in the form of a combined report reflecting information about both the Company and United Continental Holdings, Inc.), and all materials physically included therewith or incorporated by reference therein, filed by the Company with the SEC or (b) an incorporation by reference of such report on Form 10-K and such other materials included therewith or incorporated by reference therein. If the Company should cease to be a reporting company under the Exchange Act, then the Company shall provide with the other information required in the Annual Report its audited financial statements and operating data of the type that would be provided to the SEC if the Company were such a reporting company, any of which materials may be incorporated by reference from materials on file with the SEC or the MSRB. The Company's audited financial statements shall be prepared (i) so long as the Company is a reporting company under the Exchange Act, in accordance with the rules of the SEC for preparing audited financial statements to be filed as part of a Form 10-K, and (ii) if the Company shall cease to be a reporting company, in accordance with generally accepted accounting principles.

2. A listing of the number of daily jet and commuter departures operated by the Company and its commuter operators from the Airport as of a date not earlier than the last day of the most recently completed calendar year.

3. A listing of the approximate number of passengers enplaned at the Airport by the Company and its commuter operators aircraft during the most recently completed calendar year.

4. A listing of the non-stop markets served by the Company and its commuter operators from the Airport as of a date not earlier than the last day of the most recently completed calendar year.

5. A listing of the number of gates leased by the Company at the Airport for the most recently completed calendar year.

6. A listing of the approximate percentage of the Company's and its commuter operators' enplaned passengers at the Airport in the immediately preceding calendar year that were connecting from flights operated by the Company or its commuter operators.

Any materials to be provided by the Company under this Section 4 may be incorporated by reference from materials on file with the SEC or the MSRB.

SECTION 5. Reporting of Significant Events.

(a) Each of the following events with respect to the Bonds shall constitute a Listed Event:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) Modifications to the rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Company;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Company or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in Section 5(a)(xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Company in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Company, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Company.

(b) If a Listed Event occurs (other than an event modified by the terms "if material"), the Company shall provide, or cause the Dissemination Agent to provide, notice of the occurrence of such Listed Event to the Trustee in a timely manner not in excess of seven business days after the occurrence of such Listed Event. The Trustee shall, within three business days of receipt of notice of the occurrence of such Listed Event (and in any event cumulatively within ten business days after the occurrence of such Listed Event, provided that notice is received by the Trustee from the Company as provided above), provide notice of such Listed Event to the MSRB, the City, and each holder or beneficial owner of a Bond that has, prior to the occurrence of such Listed Event, requested in writing to the Trustee to receive notices of Listed Events. Whenever an executive officer of the Company obtains actual knowledge of the occurrence of a Listed Event modified by the terms "if material," the Company shall as soon as possible reasonably determine if such event would constitute material information for holders of the Bonds. If the Company has reasonably determined that the occurrence of such a Listed Event would constitute material information for holders of the Bonds, then the Company shall provide, or cause the Dissemination Agent to provide, notice of the occurrence of such Listed Event to the Trustee in a timely manner not in excess of seven business days after the occurrence of such Listed Event. The Trustee shall, within three business days of receipt of notice from the Company of the occurrence of such Listed Event (and in any event cumulatively within ten business days after the occurrence of such Listed Event, provided that notice is received by the Trustee from the Company as provided above), provide notice of such Listed Event to the MSRB, the City, and each holder or beneficial owner of a Bond that has, prior to the occurrence of such Listed Event, requested in writing to the Trustee to receive notices of Listed Events.

SECTION 6. Termination of Reporting Obligation. The respective obligations of the Company and the Trustee under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in

full, of all of the Bonds. If the Company's obligations under the Lease and this Disclosure Agreement are assumed in full by some other entity and the Company no longer has any liability as to the Bonds, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Company and the original Company shall have no further responsibility hereunder. This Disclosure Agreement shall also terminate upon (i) the Rule being withdrawn or having been found by a court of competent jurisdiction to be invalid, or (ii) receipt by the Trustee and the Company of an opinion of counsel of nationally recognized expertise in matters relating to securities laws affecting municipal securities to the effect that the Rule is no longer applicable to the Bonds.

SECTION 7. Dissemination Agent. The Company may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Company shall be the Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Company and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Company) and any provision of this Disclosure Agreement may be waived, if (a) such amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a) and arises from a change in legal (including regulatory) requirements or in interpretations thereof, change in law, or change in the identity, nature, or status of the Company or the type of business conducted by the Company; (b) this Disclosure Agreement, as amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; or (c) the amendment or waiver does not materially impair the interest of the holders of the Bonds, as determined by either (i) a party unaffiliated with the City or the Company (such as bond counsel or other counsel of nationally recognized expertise in matters relating to the application of federal securities laws to municipal obligations who (or which) is not a full time employee of the City or the Company), or (ii) the approving vote of holders of the Bonds obtained in the same manner as an approving vote of holders of the Bonds of an amendment to the Trust Indenture. In the event of any amendment or waiver of a provision of this Disclosure Agreement that results in a change to the information provided in any subsequent Annual Report, the Company shall describe such amendment or waiver in the next Annual Report and shall include, as applicable, in narrative form, the reasons for the amendment and the impact of the change on the type of operating data or financial information being provided. If such change relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made should present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, notice of such amendment shall be provided by the Company to the Trustee, and the Trustee shall provide such notice to the MSRB and the City. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Company to meet its obligations, and to the extent feasible in the view of the Company, shall be quantitative as well. In executing any amendment to this Disclosure Agreement, the Trustee shall be entitled to receive and rely upon an opinion of counsel that such amendment complies with this Section 8.

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

SECTION 10. Default. If the Company fails to comply with any provision of this Disclosure Agreement, any Bondholder may, or the Trustee may (and, at the request of any of the Underwriters or the holders of not less than a majority in aggregate principal amount of Outstanding Bonds, shall), take such actions as may be necessary and appropriate, including seeking an order of mandamus or specific performance by court order, to cause the Company to comply with its obligations under this Disclosure Agreement. Notwithstanding the foregoing, the

Trustee shall not be obligated to do so unless it receives indemnification reasonably satisfactory to it for its fees and expenses (including reasonable attorneys fees) in pursuing that action. A default under this Disclosure Agreement shall not be deemed a default or an Event of Default under the Trust Indenture or the Lease or to result in any pecuniary liability of the Company or the Trustee, and the sole remedy in the event of any failure of the Company or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance hereunder.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article X of the Original Trust Indenture (relating to, among other things, the rights and limitations on liability of the Trustee) are hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Original Trust Indenture. The Dissemination Agent agrees to disseminate the information provided to it hereunder in the form delivered by the Company. The Dissemination Agent is acting hereunder solely in an agency capacity and shall have no liability or responsibility for the form, content, accuracy or completeness of any information furnished by it hereunder, except for information concerning the Dissemination Agent, and any such information may contain a legend to that effect. The Dissemination Agent shall have no obligation to provide disclosure except as expressly set out herein, provided that no provision of this Disclosure Agreement shall limit or modify the duties or obligations of the Trustee under the Trust Indenture. The fact that the Trustee has or may have any banking, fiduciary or other relationship created by the Trust Indenture and this Disclosure Agreement shall not be construed to mean that the Trustee has knowledge or notice of any event or condition relating to the Bonds except in its respective capacities under such agreements. No provision of this Disclosure Agreement shall require or be construed to require the City or Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder. Neither the City nor the Dissemination Agent shall disclose information (i) deemed confidential or proprietary by the Company; (ii) the disclosure of which is prohibited by applicable law; or (iii) otherwise not subject to disclosure. The Annual Report may contain such disclaimer language as the Company may deem appropriate and any information disclosed hereunder by the Dissemination Agent may contain such disclaimer language as the Dissemination Agent may deem appropriate.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Company, the Trustee, the Underwriters, and the holders from time to time of the Bonds (or a beneficial interest therein), and shall create no rights in any other person or entity.

SECTION 13. Notices. Notices required or permitted to be given hereunder to the Company, the City or the Trustee shall be provided as set forth in Section 7.4 of the First Supplemental Trust Indenture.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first written above.

United Airlines, Inc.

By:_____
Gerald Laderman
Senior Vice President Finance, Procurement and Treasurer

The Bank of New York Mellon Trust Company, **National Association,** as Trustee

By:_____
Name:
Title:

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: _____

Name of Bond Issue: _____
_____
_____

Name of Company: _____

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Company named above has not provided the required annual financial information as required under the Continuing Disclosure Agreement, dated as of _____ __, 2014, between the Company listed above and the undersigned, as trustee, relating to the Bond Issue described above, on or before the date such information is required to be provided in such Continuing Disclosure Agreement.

Dated: _____

_____, as trustee

By:_____
Title:

APPENDIX G

FORM OF OPINION OF CO-BOND COUNSEL

BRACEWELL & GIULIANI LLP
711 LOUISIANA STREET, SUITE 2300
HOUSTON, TEXAS 77002

WEST & ASSOCIATES LLP
440 LOUISIANA STREET, SUITE 1880
HOUSTON, TEXAS 77002

June __, 2014

WE HAVE ACTED as co-bond counsel for the City of Houston, Texas (the "City") in connection with the issuance of the bonds (the "Series 2014 Bonds") described as follows:

> CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES REVENUE REFUNDING BONDS (UNITED AIRLINES, INC. TERMINAL E PROJECT), SERIES 2014 (AMT), dated May 15, 2014, in the principal amount of $308,660,000.

The Series 2014 Bonds mature and bear interest all as authorized by Ordinance No. 2013-714 (as supplemented and ratified by Ordinance No. 2014-371) and the officers pricing certificate executed in connection therewith (collectively, the "Ordinance"), and as further provided in the Trust Indenture dated as of August 1, 2001 (the "Original Trust Indenture") as supplemented by the First Supplemental Trust Indenture dated as of June 1, 2014 (the "First Supplemental Trust Indenture" and collectively with the Original Trust Indenture, the "Trust Indenture"), all by and between the City and The Bank of New York Mellon Trust Company, National Association, as successor to The Chase Manhattan Bank, a New York State Bank, as trustee (the "Trustee"). The Series 2014 Bonds are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth in the Series 2014 Bonds and in the Trust Indenture. Capitalized terms used herein but not otherwise defined shall have the meanings assigned in the Trust Indenture.

The proceeds of the Series 2014 Bonds are to be used to refund the Outstanding portion of the City's Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal E Project), Series 2001 (such outstanding portion to be referred to herein as the "Refunded Bonds"), which were issued to finance the construction and acquisition of certain terminal facilities and improvements at George Bush Intercontinental Airport/Houston (the "Terminal E Project"), which Terminal E Project has been leased to United Airlines, Inc. (formerly known as Continental Airlines, Inc.) ("United") pursuant to a Terminal E Lease and Special Facilities Lease Agreement between the City and United dated as of August 1, 2001 (the "Lease"), as supplemented by that certain Memorandum of Understanding between the City and United dated as of June 1, 2014 (the "Memorandum of Understanding"). United has agreed to pay, pursuant to the terms of the Lease, certain Special Facilities Payments in an amount which, together with other Pledged Revenues, will be sufficient to pay principal of, premium, if any, and interest on all Bonds issued under the Trust Indenture, including the Series 2014 Bonds. In addition, United has guaranteed the payment of principal of, premium, if any, and interest on the Series 2014 Bonds pursuant to a guaranty with the Trustee dated as of August 1, 2001 and amended and restated as of June 1, 2014 (the "Guaranty"), as more fully described therein.

WE HAVE ACTED as co-bond counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Series 2014 Bonds under the Constitution and laws of the State of Texas, with respect to the discharge and final payment of the Refunded Bonds, and with respect to the exclusion of interest on the Series 2014 Bonds from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial

condition or capabilities of United or the City, including the Airport System, or the disclosure thereof in connection with the offer and sale of the Series 2014 Bonds. Our role in connection with the City's Official Statement dated May 8, 2014 prepared for use in connection with the offer and sale of the Series 2014 Bonds has been limited as described therein.

IN OUR CAPACITY as co-bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the authorization and issuance of the Series 2014 Bonds and refunding of the Refunded Bonds on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the City Council of the City; a certificate of the Trustee verifying the sufficiency of the deposits to be made pursuant to the Trust Indenture for the redemption of the Refunded Bonds; customary certificates of officers and representatives of the City, United and the Trustee and other certified showings relating to the authorization, execution and delivery of the Ordinance, the Trust Indenture, the Lease and the Memorandum of Understanding, the authorization and issuance of the Series 2014 Bonds and firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds. We have further examined such applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, regulations and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have also examined executed counterparts of the Ordinance, the Trust Indenture, the Lease, the Memorandum of Understanding, the executed Series 2014 Bond No. I-1 and a specimen of the form of the definitive Series 2014 Bonds.

BASED ON SUCH EXAMINATION, IT IS OUR OPINION THAT:

1. The transcript of certified proceedings referenced above evidences complete legal authority for the issuance of the Series 2014 Bonds in full compliance with the Constitution and the laws of the State of Texas presently effective and that, therefore, the Series 2014 Bonds constitute legal, valid and binding special obligations of the City;

2. The Series 2014 Bonds are payable from and secured by a lien on and pledge of the Pledged Revenues, which include Special Facilities Payments payable by United to the Trustee on behalf of the City pursuant to the terms of the Lease, all as more fully defined and provided in the Trust Indenture and the Lease; and provision has been made in the Trust Indenture and the Lease for the payment by United of such Special Facilities Payments in amounts, which, together with other Pledged Revenues, are sufficient to pay the principal of, premium, if any, and the interest on the Series 2014 Bonds; and

3. Under the terms of the Trust Indenture and certain certificates and letters of instruction delivered thereunder, firm banking and financial arrangements have been made for the discharge and final payment of the Refunded Bonds, and, therefore, the Refunded Bonds are deemed to be fully paid and no longer outstanding, except for the purpose of being paid from funds provided for such purpose pursuant to the Trust Indenture.

THE RIGHTS OF THE OWNERS of the Series 2014 Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions, and may be limited by general principles of equity which permit the exercise of judicial discretion. The Series 2014 Bonds are payable from and secured by a lien on and pledge of the Pledged Revenues and do not constitute an indebtedness or general obligation of the City. Owners of the Series 2014 Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and the Series 2014 Bonds may not be repaid in any circumstances from tax revenues or general revenues of the City or the Airport System. Payment of the principal of, premium, if any, and interest on the Series 2014 Bonds is further guaranteed by United pursuant to the Guaranty, as more fully described therein. The City's obligations pursuant to the Ordinance and the Trust Indenture and United's obligations pursuant to the Lease and the Guaranty are subject to limitation by applicable federal bankruptcy laws and any other similar laws affecting the rights of creditors generally.

THE CITY HAS RESERVED THE RIGHT, UPON THE REQUEST OF UNITED, TO ISSUE ADDITIONAL BONDS AND REFUNDING BONDS, subject to the restrictions contained in the Trust Indenture, secured by liens on the Pledged Revenues that are on a parity with the lien on Pledged Revenues securing the Series 2014 Bonds.

IT IS OUR FURTHER OPINION THAT:

4. Interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes under existing law, except for any period a Series 2014 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" or a "related person" to a "substantial user" of the facilities that were financed with, or treated as financed with, the proceeds of the Series 2014 Bonds; and

5. The Series 2014 Bonds are "private activity bonds" within the meaning of the Code, and interest on the Series 2014 Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on individuals and corporations.

In providing such opinions, we have relied on representations of the City, the City's financial advisor, United and the Underwriters (as defined in the Ordinance) with respect to matters solely within the knowledge of the City, the City's financial advisor, United and the Underwriters, respectively, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the covenants in the Trust Indenture pertaining to those sections of the Code that affect the exclusion from gross income of the interest on the Series 2014 Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete, or if the City or United fails to comply with the foregoing covenants in the Trust Indenture, interest on the Series 2014 Bonds could become includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt or accrual of interest on or disposition of the Series 2014 Bonds.

Owners of the Series 2014 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits (including tax-exempt interest such as interest on the Series 2014 Bonds).

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Series 2014 Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the City as the taxpayer. We observe that the City has covenanted in the Trust Indenture not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Series 2014 Bonds to be includable in gross income as defined in Section 61 of the Code, of the holders thereof for federal income tax purposes and United has covenanted in the Lease to comply with all tax covenants with respect to the Special Facilities and the Bonds contained in the Trust Indenture.

Very truly yours,


UNITED