

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

**\$70,175,000**

**CITY OF HOUSTON, TEXAS**

**Airport System Special Facilities Revenue Bonds  
(United Airlines, Inc. Terminal E Project),  
Series 2021A (AMT)**

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

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

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

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

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

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

The Series 2021A Bonds will be secured on a parity with the City’s outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT) (the “Series 2014 Bonds”), Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020A (AMT) (the “Series 2020A Bonds”), and any Additional Bonds and Refunding Bonds (each as defined herein) that may be issued in the future. The improvements located in Terminal E at the Airport that were refinanced by the Series 2014 Bonds and the Series 2020A Bonds, the improvements financed by the Series 2021A Bonds, certain Replacement Ticketing Facilities (as defined herein) upon their completion, and any improvements that are financed by any additional bonds that may be issued in the future and secured on a parity with the Series 2014 Bonds, the Series 2020A Bonds, and the Series 2021A Bonds are referred to herein as the “Special Facilities.”

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



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

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

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

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

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

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

**Citigroup**

**Wells Fargo Securities**

**Blaylock Van, LLC**

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

**\$70,175,000  
City of Houston, Texas  
Airport System Special Facilities Revenue Bonds  
(United Airlines, Inc. Terminal E Project),  
Series 2021A (AMT)**

**\$70,175,000 4% Term Bond due July 1, 2041  
Priced at 107.837%<sup>†</sup> (Yield 2.875%<sup>†</sup>) CUSIP<sup>‡</sup> 442349FZ4**

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<sup>†</sup> Priced at the stated yield to the first optional call date of July 1, 2029 at a redemption price of 100%.

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

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement (including Appendices) in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the City, United or the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or United since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any of the Series 2021A 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," "THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the Terminal E Project—*Replacement Ticketing Facilities*" and "—2021 City Project Components," "NO LITIGATION," and "CO-FINANCIAL ADVISORS."

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

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

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

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

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

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

This Official Statement is not to be construed as a contract or an agreement between either the City or United and the purchasers or holders of any of the Series 2021A Bonds. Any statements made in this

Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact.

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

## CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

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

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

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

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

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

**\$70,175,000**  
**City of Houston, Texas**  
**Airport System Special Facilities Revenue Bonds**  
**(United Airlines, Inc. Terminal E Project),**  
**Series 2021A (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 \$70,175,000 aggregate principal amount of the City’s Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal E Project), Series 2021A (AMT) (the “Series 2021A Bonds”). The City is a municipal corporation organized as a home rule city, situated principally in Harris County, Texas. The City owns and manages George Bush Intercontinental Airport/Houston (the “Airport”), among other airports within the City.

**The Series 2021A Bonds and the 2021 Lessee Project Components**

The Series 2021A Bonds are being issued by the City under and pursuant to a Third Supplemental Trust Indenture dated as of August 1, 2021, which supplements that certain Trust Indenture dated as of August 1, 2001, as previously supplemented by a First Supplemental Trust Indenture dated as of June 1, 2014 and a Second Supplemental Trust Indenture dated as of June 1, 2020 (as supplemented, collectively, the “Trust Indenture”), each by and between the City and The Bank of New York Mellon Trust Company, National Association, as successor in trust to The Chase Manhattan Bank, as trustee (the “Trustee”).

The Series 2021A Bonds are being issued for the purpose of financing the cost of development, construction, and acquisition of the portion of a new multi-terminal baggage handling system, tenant improvements, fixtures, equipment, personnel areas (including an employee break room), and storage and related facilities, all to be installed by United Airlines, Inc. (“United,” formerly known as Continental Airlines, Inc.) in Terminal E at the Airport for use by United (collectively, the “2021 Lessee Project Components” and also referred to herein as the “Terminal E BHS”). In addition to financing the 2021 Lessee Project Components, proceeds of the Series 2021A Bonds will also be used to pay costs of issuance of the Series 2021A Bonds. See “PLAN OF FINANCE AND APPLICATION OF THE SERIES 2021A BOND PROCEEDS—Estimated Sources and Uses of Funds for the Series 2021A Bonds” herein. The Terminal E BHS will replace the existing baggage handling system in Terminal E, which was constructed as part of the 2001 Lessee Project Components.

The Series 2021A Bonds will be secured on a parity under the Trust Indenture with the City’s outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT) (the “Series 2014 Bonds”) and Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020A (AMT) (the “Series 2020A Bonds”) and any Additional Bonds and Refunding Bonds (each as defined below) that may be issued in the future under the Trust Indenture. As of the date of this Official Statement, \$238,890,000 aggregate principal amount of Series 2014 Bonds will be outstanding, and \$34,165,000 aggregate principal amount of Series 2020A Bonds will be outstanding. The Series 2014 Bonds, the Series 2020A Bonds, the Series 2021A Bonds, any bonds issued in the future under the Trust Indenture for the purpose of financing Special Facilities (as defined herein) (“Additional Bonds”), and any bonds issued under the Trust Indenture to refund any Bonds or Additional Bonds (“Refunding Bonds”) are referred to herein as the “Bonds.”

**The Terminal E Project and the Special Facilities**

The City’s Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal E Project), Series 2001 (the “Series 2001 Bonds”), which were subsequently refunded with the proceeds of the

Series 2014 Bonds (a portion of which were subsequently refunded with the proceeds of the Series 2020A Bonds), financed the construction, improvement and equipping of certain components (the “2001 Lessee Project Components” and, together with the 2021 Lessee Project Components, the “Lessee Project Components”) of an international and domestic passenger terminal known as Terminal E and related airport facilities for United (then known as Continental Airlines, Inc.) at the Airport. In connection with the construction of the 2001 Lessee Project Components, the City was responsible for separately financing and constructing certain other components of Terminal E (the “2001 City Project Components” and, together with the 2001 Lessee Project Components, the “Original Terminal E Project”). See “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the 2021 Lessee Project Components and United Funded Equipment” and “—Description of the Terminal E Project” herein.

In connection with United’s construction of the 2021 Lessee Project Components, the City has agreed to use commercially reasonable efforts to design and construct a baggage tunnel and above-ground baggage corridor (the “2021 City Project Components” and together with the 2001 City Project Components, the “City Project Components”). The baggage tunnel constructed as part of the 2001 City Project Components will be partially replaced by the 2021 City Project Components. See “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the Terminal E Project” herein.

The Lessee Project Components, together with all extensions, additions, modifications and improvements thereto, and any facilities financed in the future with Additional Bonds, and, upon completion thereof, the Replacement Ticketing Facilities (as defined herein) will be collectively referred to in this Official Statement as the “Special Facilities.” For a description of the Replacement Ticketing Facilities and the related renovations to the 2001 Original Terminal E Project, see “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the Terminal E Project” herein.

### **The Lease**

In connection with the Original 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 “Original Lease”), as subsequently supplemented by that certain Supplement to Terminal E Lease and Special Facilities Agreement (with respect to Central FIS Concession Area) dated July 8, 2002, and as subsequently amended by an Amendment No. 1 to Terminal E Lease and Special Facilities Lease Agreement, dated August 11, 2021 (“Amendment No. 1 to Lease” and, together with the Original Lease, as the same may be further amended or supplemented from time to time, the “Lease”). A summary of certain provisions of the Lease is provided in Appendix C hereto. Pursuant to the Lease, the City leases to United the Terminal E Project, including the Special Facilities and the City Project Components. Also under the Lease, the City may lease to United future facilities to be constructed by United that are financed with the proceeds of future Additional Bonds that may be issued under the Trust Indenture, and/or grant rights to facilities to be constructed by the City. The term of the Lease will end on January 31, 2030, which is prior to the final scheduled maturity of the Series 2021A Bonds, subject to certain earlier termination and extension provisions, as further described herein. For additional information regarding the term of the Lease, see “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—The Lease” herein. See also “THE SERIES 2021A BONDS—Redemption of the Series 2021A Bonds—*Extraordinary Required Redemption*” herein.

Pursuant to the terms of the Lease, United is obligated to pay certain net rental payments (the “Special Facilities Payments”) to the Trustee, as assignee of the City, in an amount sufficient to pay the principal of, premium, if any, and interest when due on the Bonds. In addition, United is obligated under the Lease to pay to the City certain additional amounts, including for the right to use and occupy the ground areas underlying certain parts of the Terminal E Project (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 Series 2021A Bonds. For further discussion of the Ground Rentals, City Charges, and Landing Fees, see APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE” herein.

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

### **Security for the Series 2021A Bonds**

The Series 2021A Bonds will be issued as special limited obligations of the City secured with respect to the pledge of the Pledged Revenues (as defined below) on a parity with the outstanding Series 2014 Bonds and Series 2020A Bonds and with any Additional Bonds and Refunding Bonds issued in the future under the Trust Indenture. The Series 2021A Bonds will be payable solely from and secured by a pledge of certain pledged revenues of the City relating to the Special Facilities (the “Pledged Revenues”), including all Special Facilities Payments paid or payable by United under the Lease, but not including the Ground Rentals, the City Charges, or the Landing Fees. Pledged Revenues also include certain revenues that may be realized by the City following a termination of United’s possession rights under the Lease with respect to the Special Facilities while any Bonds remain outstanding, through a reletting of the Special Facilities by the City to one or more replacement tenants, as further described herein. For further discussion of such reletting provisions, see “SECURITY FOR THE SERIES 2021A BONDS—Reletting” herein. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Definitions—Pledged Revenues” for a detailed description of Pledged Revenues.

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 as of June 1, 2014 (the “Guaranty”), United has unconditionally guaranteed 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, including the Series 2021A Bonds. See “SECURITY FOR THE SERIES 2021A BONDS—The Guaranty” herein.

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

**AN INVESTMENT IN THE SERIES 2021A BONDS INVOLVES SIGNIFICANT RISKS.**  
See “SECURITY FOR THE SERIES 2021A BONDS,” and “CERTAIN BONDOWNERS’ RISKS” herein.

### **Simultaneous Issuance**

On the date of issuance of the Series 2021A Bonds (the “Date of Delivery”), the City expects to issue its Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2021B-1 (AMT) (the “Series 2021B-1 Bonds”) to (a) finance the cost of development, construction, and acquisition of (1) the portion of a new multi-terminal baggage handling system, tenant improvements, fixtures, equipment, personnel areas, and related facilities that will be located in Terminal C at the Airport (the “Terminal C BHS”), which will be connected to and integrated with the Terminal E BHS, and (2) an early baggage storage system building and related fire pump room, and (b) pay related costs of issuance. The Terminal E BHS and Terminal C BHS will be integrated as further described in “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the 2021 Lessee Project Components and United Funded Equipment,” but the Terminal C BHS will neither constitute 2021 Lessee Project Components nor be subject to the Lease. See also “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities;

Availability of Reletting Revenues—Integration of Terminal C BHS with Remainder of Multi-Terminal Baggage Handling System.”

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

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

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

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

## **PLAN OF FINANCE AND APPLICATION OF THE SERIES 2021A BOND PROCEEDS**

### **Plan of Finance**

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

## Estimated Sources and Uses of Funds for the Series 2021A Bonds

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

### SOURCES OF FUNDS

Par Amount	\$70,175,000.00
Original Issue Premium	<u>5,499,614.75</u>
Total	<u>\$75,674,614.75</u>

### USES OF FUNDS

Deposit into the Series 2021A Construction Account <sup>1</sup>	\$74,747,059.38
Costs of Issuance <sup>2</sup>	<u>927,555.37</u>
Total	<u>\$75,674,614.75</u>

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

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

## GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON

### General

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

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

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

The Central FIS Facility has the capacity to process approximately 4,500 arriving international passengers per hour. Terminals B, C, and E are used exclusively by United and its United Express affiliates. Terminal B contains 42 aircraft gates currently labeled as Terminal B gates and 11 aircraft gates currently labeled as Terminal C gates, for a total of 53 aircraft gates. Terminal B is used by United and United Express. Pursuant to the

Terminal B and C Lease (as defined below), United has constructed two phases of its Terminal B redevelopment plan, the second phase of which included the aforementioned 11 gates, which are located in the North Concourse of Terminal B but are labeled as Terminal C (which North Concourse of Terminal B is commonly referred to as Terminal C North). Terminal C, as defined by the Terminal C Lease and Use Agreement, contains 20 aircraft gates and primarily accommodates United and United Express domestic operations. Terminal E, containing 23 gates, is used by United for mainline international arrivals and departures and domestic arrivals and departures and by United Express for some international arrivals. Terminal A contains 22 aircraft gates, as well as two aircraft hardstand positions and is used by various airlines (including United and its United Express affiliates) for domestic and precleared international aircraft operations. Foreign-flag airlines conduct international operations out of Terminal D, which contains 12 aircraft gates. Additionally, Terminal D is used by United and its United Express affiliates and Spirit Airlines for some international arrivals.

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

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

United operates facilities for aircraft maintenance, catering, flight attendant training, and other support functions, and constructed a new 270,000-square-foot technical operations center to accommodate a hangar for widebody aircraft maintenance and is improving and expanding other aircraft maintenance and support facilities at the Airport. The office areas of the technical operations center and associated widebody hangar opened in February 2020, and the supporting shops are expected to be completed in late calendar year 2021. The hangar and supporting shops are partially in use pending their completion, which is expected to occur in the first quarter of calendar year 2022. See “—United’s Other Facilities at the Airport” below.

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

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

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

In 2020, United’s activity at the Airport was impacted by the COVID-19 pandemic in a manner that is generally consistent with reductions to United’s scheduled capacity across its network. United began experiencing a significant decline in international and domestic demand related to COVID-19 during the first quarter of 2020. In 2020, United’s scheduled departures (excluding regional jet operations) at its Houston hub were approximately 51% lower than 2019 levels. United’s second quarter 2021 performance in Houston largely exceeded original expectations as international long haul and business travel accelerated faster than anticipated. United cut,

relative to second quarter 2019 capacity, approximately 28% of its scheduled departures (excluding regional jet operations) at the Airport for the second quarter of 2021 and expects its third quarter scheduled departures (excluding regional jet operations) at the Airport to be down approximately 4% versus the third quarter of 2019. United will continue to monitor booking trends for future travel and adjust its capacity as needed both across its system and at the Airport. The Airport continues to be a major airport hub in United's network, and United expects it will continue as such as demand for air travel recovers. See "CERTAIN BONDOWNERS' RISKS" and "CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS" herein.

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

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

As of the date hereof and as further described below, United's terminal lease agreements at the Airport include two special facilities leases pursuant to which the City has issued special facilities bonds payable from net rentals of United, specifically: (i) the Lease, pursuant to which United leases Terminal E, and (ii) the Second Amended and Restated Special Facilities Lease, effective as of November 17, 2011 (as amended, the "Terminal B and C Lease"). United leases all of Terminal B and portions of Terminal C, including the Terminal C BHS, pursuant to the Terminal B and C Lease. However, the bulk of operational space in Terminal C is leased to United pursuant to a certain Terminal C South Net Lease and Use Agreement, effective as of April 10, 2015 (as amended, including by an Amendment No. 1 to Terminal C South Net Lease and Use Agreement, the "Terminal C Lease and Use Agreement"). Facilities in Terminal A are leased to United pursuant to a certain Use and Lease Agreement, effective as of June 1, 2004 (as amended, the "Terminal A Lease"). With respect to Terminal D, which solely operates international flights, United leases certain facilities pursuant to the International Facilities Agreement, effective as of August 22, 2005 (the "International Facilities Agreement").

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

#### ***Terminal A***

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

#### ***Terminal B***

<u>Agreement</u>	<u>Facilities</u>	<u>Term</u>
Terminal B and C Lease	Exclusive use of 12 aircraft gates and certain related support facilities and preferential use of certain related airfield apron areas	Expires December 31, 2024, unless United initiates a "Deferred Phase" to replace such facilities with special facilities, in which case the expiration would be the 25th anniversary of substantial completion of such special facilities

Preferential use of 30 aircraft gates and certain related airfield apron areas, and exclusive use of certain related support facilities	November 16, 2041
Exclusive use of 11 aircraft gates and preferential use of 3 hardstand aircraft parking positions in the North Concourse of Terminal B (which gates are labeled as Terminal C and which North Concourse of Terminal B is commonly referred to as Terminal C North), exclusive use of certain related support facilities and preferential use of certain related airfield apron areas	March 20, 2042

### ***Terminal C***

<u>Agreements</u>	<u>Facilities</u>	<u>Term</u>
Terminal C Lease and Use Agreement	Exclusive use of 20 aircraft gates Exclusive use of certain related support facilities Preferential use of certain airfield apron areas	Ending December 31, 2037, subject to certain extension rights and early termination provisions, as set forth therein
Terminal B and C Lease	Certain special facilities located in Terminal C	Ending December 31, 2027, subject to certain extension rights and early termination provisions
	The facilities financed by the Series 2021B-1 Bonds, including the Terminal C BHS	Ending March 20, 2042, subject to certain extension rights and early termination provisions, and provided that the term with respect to the Terminal C BHS may not be extended and will expire concurrently with the Terminal C Lease and Use Agreement (December 31, 2037), unless United exercises its option to extend the Terminal C Lease and Use Agreement

### ***Terminal D***

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

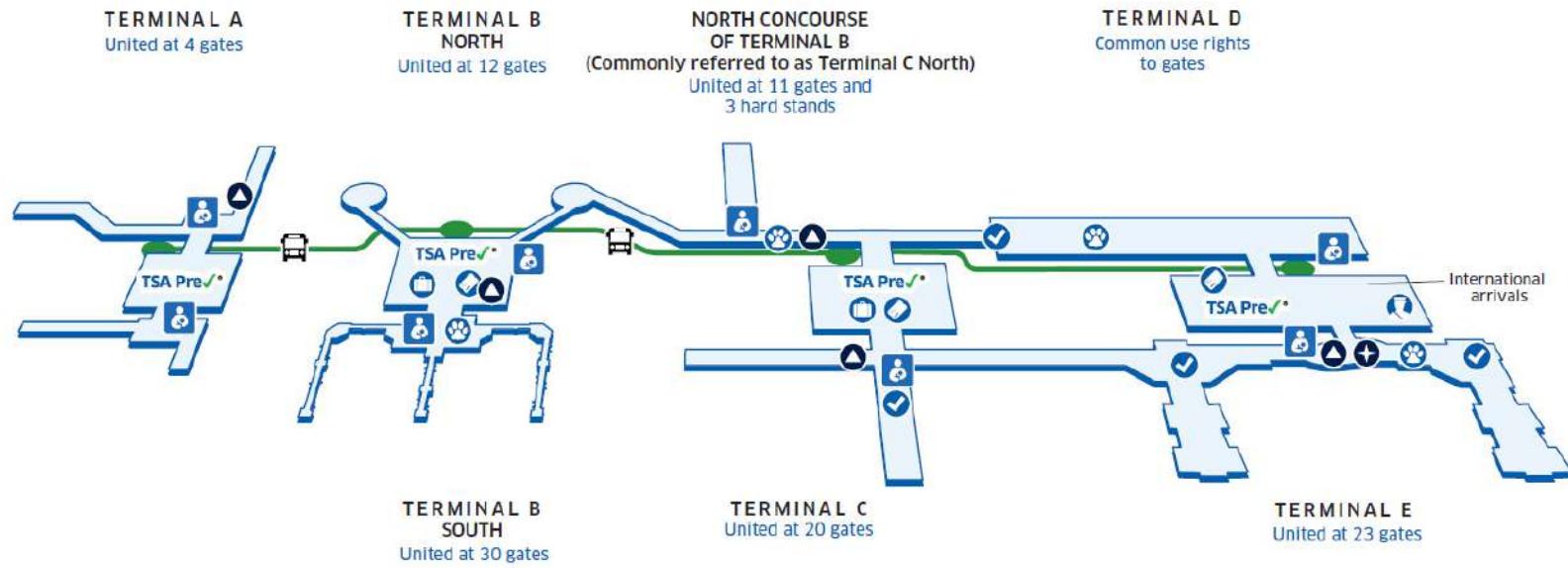
***Terminal E***

<u>Agreement</u>	<u>Facilities</u>	<u>Term</u>
The Lease	Exclusive use of 23 aircraft gates	
	Exclusive use of certain related support facilities, including the Terminal E BHS	
	Preferential use of certain airfield apron areas	Ending on January 31, 2030, subject to certain extension rights and early termination provisions. See "THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—The Lease" herein.

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

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



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

**The only rent payments pledged to the repayment of the Series 2021A Bonds are Special Facilities Payments paid by United under the Lease, and none of United's payments of rentals under agreements other than the Lease are pledged to the repayment of the Series 2021A Bonds.**

Certain bonds, in addition to the Series 2014 Bonds and the Series 2020A Bonds, have previously been issued by the City for the benefit of United to finance and/or refinance improvements used by United at various terminals at the Airport. The bonds previously issued and to be issued by the City to finance or refinance terminal facilities, other than Terminal E facilities, for the benefit of United at the Airport are secured by certain rental payments under the Terminal B and C Lease and are collectively referred to herein as the "Terminal Bonds." Specifically, the following Terminal Bonds are currently outstanding and will remain outstanding following issuance of the Series 2021A Bonds: (i) \$113,305,000 aggregate principal amount of the City's Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal Improvement Projects), Series 2011 (AMT), which financed improvements at Terminal B at the Airport, (ii) \$176,650,000 aggregate principal amount of the City's Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects) Series 2015B-1 (AMT) (the "Series 2015B-1 Bonds"), which financed improvements to Terminal C North (i.e., the 11 aircraft gates which are located in Terminal B but are labeled as Terminal C) at the Airport, and (iii) \$47,470,000 aggregate principal amount of the City's Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2020B-2 (AMT) (the "Series 2020B-2 Bonds"), which refinanced certain terminal facilities in Terminal B, Terminal C and elsewhere at the Airport. There are no currently-outstanding bonds for which United is responsible in connection with the facilities used by United at Terminals A or D at the Airport.

In addition, the City expects to issue on the Date of Delivery the Series 2021B-1 Bonds in the aggregate principal amount of \$219,320,000 to (a) finance the cost of development, construction, and acquisition of (1) the Terminal C BHS, and (2) an early baggage storage system building and related fire pump room, and (b) pay related costs of issuance. See "INTRODUCTION—Simultaneous Issuance" herein. See also "THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the 2021 Lessee Project Components and United Funded Equipment" for a description of the integration of the Terminal E BHS and Terminal C BHS.

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

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

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

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

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

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

The Special Facilities, United’s rental payments for which will constitute the primary security for the Series 2021A Bonds, will consist of the following: (i) the 2001 Lessee Project Components, (ii) the 2021 Lessee Project Components, which will replace the baggage handling system components of the 2001 Lessee Project Components, (iii) the Replacement Ticketing Facilities, which, upon completion, will replace the ticketing and check-in facilities of the 2001 Lessee Project Components (and such 2001 ticketing and check-in facilities will be relinquished to the City and will no longer constitute part of the Special Facilities), and (iv) any future facilities constructed by United and financed with the proceeds of future Additional Bonds issued under the Trust Indenture, if any.

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

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

Proceeds of the Series 2021A Bonds will be used by United for the development, construction, and acquisition of the Terminal E BHS.

The Terminal E BHS will be used to transport and sort United bags originating in the Terminal E ticketing lobby, bags transferring from inbound United flights to outbound United flights, and United bags rechecked from international arrivals in Terminal E, as well as bags transferring to Terminal E from Terminal C through conveyors. The Terminal E BHS will include a sortation system made up of four main lines that sort outbound bags into eight make-up units where bags are loaded into carts for delivery to outbound flights. Additionally, the Terminal E BHS will include a new inbound baggage induction point (i.e., a point of entry for baggage into the Terminal E BHS) located at gate E1, two new Terminal E ticket lobby counter induction points, and three new international inbound recheck lines used to transport bags arriving on United international flights that

have cleared US Customs to the Terminal E BHS. A new dedicated odd size baggage conveyor will handle baggage too large to be used by a conventional conveyor from the Terminal E ticketing lobby to the Transportation Security Administration odd size bag screening area located in Terminal C. The Terminal E BHS will also include buildout of new support spaces and refurbishment of existing offices for United employees, including locker rooms, washrooms, and breakroom space.

The Terminal E BHS will be connected to and integrated with the Terminal C BHS to allow for cross sortation of United bags between Terminal E and Terminal C as well as allowing for the use of the early baggage storage system building adjacent to Terminal C. The Terminal C BHS and the early baggage storage system building will be constructed with the proceeds of the Series 2021B-1 Bonds, and the Terminal C BHS and the early baggage storage system building will neither constitute 2021 Lessee Project Components nor be subject to the Lease. See “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities; Availability of Reletting Revenues—Integration of Terminal E BHS with Remainder of Multi-Terminal Baggage Handling System.”

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

In addition to the 2021 Lessee Project Components that will be built by United with the proceeds of the Series 2021A Bonds, United will acquire and install certain information technology equipment to support the Terminal E BHS (collectively, the “United Funded Equipment”). Such United Funded Equipment will cost approximately \$1,950,000 and will be paid for entirely by United from its own funds. The United Funded Equipment will include computers and monitors, network switches, wireless access points, large screen displays for the central control room, and servers. None of the United Funded Equipment will be financed with proceeds of the Series 2021A Bonds or constitute 2021 Lessee Project Components, but the United Funded Equipment located in the facilities leased to United under the Lease nonetheless will be subject to the reletting provisions of the Lease described below under the caption “SECURITY FOR THE SERIES 2021A BONDS—Reletting.” However, so long as no event of default under the Lease has occurred and is continuing, United is entitled under the Lease to remove its personal property (including the United Funded Equipment) from the terminal, provided that such removal does not damage or impair the Special Facilities (or United at its expense restores the Special Facilities to the same or better condition than existed prior to such removal). See “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities; Availability of Reletting Revenues—Unavailability of United Funded Equipment” and APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Personal Property Not Constituting Special Facilities.”

United will manage the construction of the 2021 Lessee Project Components and the United Funded Equipment as it has done in connection with the construction of several of its other facilities at the Airport. United has retained AvAirPros, Inc. to manage the construction of the 2021 Lessee Project Components and the United Funded Equipment under United’s direction. United has also retained PGAL, Inc. as its architect for the general construction and mechanical, electrical and plumbing design work and Hensel Phelps Construction Company as the general contractor for the non-baggage handling aspects of the 2021 Lessee Project Components, including the support spaces. United has retained Siemens Logistics LLC to handle design and construction of the 2021 Lessee Project Components and the United Funded Equipment. Siemens Logistics LLC designs and installs baggage handling systems worldwide, including but not limited to in the United States, Dubai, Germany and South Korea. The design for the 2021 Lessee Project Components and the United Funded Equipment has been completed. United began construction of the 2021 Lessee Project Components in June 2019 and expects to complete construction of such facilities and the United Funded Equipment by the second quarter of 2023.

United estimates that construction costs for the 2021 Lessee Project Components will total approximately \$75 million, all of which United expects to finance with proceeds of the Series 2021A Bonds. United has consulted with the Hensel Phelps Construction Company and Siemens Logistic LLC and, based on its own opinion and such consultations, United believes that the 2021 Lessee Project Components can be constructed at or below estimated costs and within the estimated project schedule. In the event that the proceeds of the Series 2021A

Bonds and the proceeds of Additional Bonds issued for such purpose, if any, are not sufficient to pay for the completion of the 2021 Lessee Project Components, United is obligated under the Lease to pay for the completion of such facilities from its own funds.

### **Description of the Terminal E Project**

The Terminal E Project consists of the Lessee Project Components, the City Project Components, and, upon completion, the Replacement Ticketing Facilities. Pursuant to Amendment No. 1 to Lease, (i) the existing baggage handling facilities constructed as part of the Original Terminal E Project will be replaced or partially replaced with the 2021 Lessee Project Components and the 2021 City Project Components, and (ii) the 2001 Lessee Project Components constituting ticketing and check-in facilities will be replaced with the Replacement Ticketing Facilities.

*Original Terminal E Project.* The Original Terminal E Project consists of (i) an approximately 650,000 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 and certain airside improvements (such as aircraft ramp/parking areas and a fuel distribution system), and (ii) a ticketing and check-in facility, baggage system facilities, and certain ancillary improvements, in the aggregate constituting approximately 100,000 square feet.

The Original Terminal E Project was constructed in two phases (the “Phases”), each of which included certain 2001 Lessee Project Components and certain 2001 City Project Components. The first Phase, substantially completed in 2004, included 2001 Lessee Project Components consisting of the passenger concourse and boarding area of Terminal E and a garage check-in facility, and 2001 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 baggage system facilities and related improvements, the ticketing/check-in area of Terminal E (including mezzanine level support space), and the exterior shell of the ticketing/check-in area. The construction of the exterior shell of the ticketing/check-in area of Terminal E, together with certain passenger bridges between buildings and a baggage tunnel connecting the Original Terminal E Ticketing Hall to United’s baggage system, were 2001 City Project Components. The baggage system facilities and the ticketing/check-in area of Terminal E (including mezzanine level support space), were 2001 Lessee Project Components. Collectively, the 2001 Lessee Project Components constituting the ticketing/check-in area of Terminal E (including mezzanine level support space) and the 2001 City Project Components constituting the exterior shell of the ticketing/check-in area are referred to herein as the “Original Terminal E Ticketing Hall.”

*Replacement Ticketing Facilities.* In addition to the Terminal E BHS, the City and United have agreed to make certain renovations to and replacements of the Original Terminal E Project, including the Original Terminal E Ticketing Hall, in order to facilitate the construction by the City, at the City’s expense, of a consolidated international central processor facility (the “International Central Processor”). A portion of the new ticketing hall within the International Central Processor will include certain replacement ticketing facilities, which are expected to occupy approximately 32,600 square feet (the “Replacement Ticketing Facilities”). The Replacement Ticketing Facilities will replace certain 2001 Lessee Project Components, namely the ticketing/check-in area (including mezzanine level support space) of the Original Terminal E Ticketing Hall, and will be exclusively leased to United as Special Facilities pursuant to the Lease. The remainder of the International Central Processor will not be subject to the Lease.

To enable the City to construct the new International Central Processor, United has agreed to enter into the Ticketing Hall Sublease, pursuant to which United will sublease to the City the Original Terminal E Ticketing Hall. During the City’s construction of the Replacement Ticketing Facilities, United will conduct ticketing operations to support its Terminal E operations in the ticketing facilities located in Terminal C and leased from the City to United pursuant to the Terminal C Lease and Use Agreement. If an event of default by United has occurred and is continuing under the Lease prior to completion of the Replacement Ticketing Facilities, in accordance with a Reimbursement Agreement (Terminal C Ticketing Lobby) between the City and United (the “Reimbursement Agreement”), United will provide access to and use of the Terminal C ticketing facilities to the City or any tenant of the City as described herein under “SECURITY FOR THE SERIES 2021A BONDS—Reletting” herein. In addition, the City will reimburse United for the design and construction costs incurred by

United associated with United's temporary consolidation of its Terminal E ticketing operations into the Terminal C ticketing facilities, in an amount not to exceed \$12.5 million, pursuant to the Reimbursement Agreement.

Upon completion of the Replacement Ticketing Facilities within the International Central Processor, (i) the Replacement Ticketing Facilities will become Special Facilities leased from the City by United pursuant to the Lease, (ii) the Original Terminal E Ticketing Hall will be released from and will no longer be subject to the Lease, and (iii) the Ticketing Hall Sublease will terminate.

*2021 City Project Components.* In connection with United's construction of the 2021 Lessee Project Components, the City has agreed to use commercially reasonable efforts to design and construct the 2021 City Project Components (i.e., a baggage tunnel and above-ground baggage corridor) so that the construction of the 2021 City Project Components will be substantially completed by November 30, 2022 and Lessee will have access to and use of the 2021 City Project Components (including for the performance of Lessee's work in connection with the 2021 Lessee Project Components) by April 30, 2022.

### **The Lease**

All of the Terminal E Project is owned by the City and has been, or in the case of the 2021 Lessee Project Components and the Replacement Ticketing Facilities, will be upon their construction and completion, leased by the City to United pursuant to the Lease, together with the ground areas upon which such facilities are located. 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 commenced on August 29, 2001 and will end on January 31, 2030, unless terminated earlier on account of an event of default thereunder. (For a description of potential events of default under the Lease, see APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Events of Default and Remedies.”) United has the option to extend the term of the Lease, subject to certain requirements and conditions, for an additional period until the first to occur of (1) January 31, 2045, (2) the latest date allowable under the laws of the State of Texas, which as of the date of this Official Statement limits the term of the Lease to 40 years from its commencement date (i.e., August 28, 2041), and (3) the latest date that the Lease may expire and remain in compliance with federal tax law applicable to the Bonds. See “THE SERIES 2021A BONDS—Redemption of the Series 2021A Bonds—*Extraordinary Required Redemption*” herein.

*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 the outstanding Bonds, including the Series 2021A Bonds.

In addition, under the Lease, United is obligated to pay directly to the City additional amounts, including certain Ground Rentals for the right to use and occupy the ground areas underlying certain parts of the Terminal E Project, 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'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 Series 2021A Bonds. See “SECURITY FOR THE SERIES 2021A BONDS—Special Facilities Payments” herein.

## **THE SERIES 2021A BONDS**

### **General**

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

The Series 2021A Bonds will mature on the date and in the principal amount, and bear interest at the rate per annum, shown on the inside cover page hereto. Interest on each Series 2021A Bond will accrue from the Date of Delivery, payable on each January 1 and July 1, commencing January 1, 2022, until maturity or earlier redemption. Interest on the Series 2021A Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2021A Bonds will mature on their stated date(s) unless redeemed prior to such date(s), as described herein. For as long as the Series 2021A Bonds are book-entry bonds held in the custody of The Depository Trust Company (“DTC”), as described in APPENDIX E—“BOOK-ENTRY-ONLY SYSTEM,” payment of the principal of, premium, if any, and interest on such Series 2021A Bonds and all notices with respect to such Series 2021A Bonds shall be made and given in accordance with DTC’s operational arrangements. If, in the future, the Series 2021A Bonds cease to be book-entry bonds, the principal of any Series 2021A Bond will be payable, on presentation and surrender of such Series 2021A Bond, in lawful money of the United States of America, without exchange or collection charges to the registered owner of such Series 2021A Bond, at the corporate trust office of the Trustee, as the paying agent for the Series 2021A Bonds. All interest accruing prior to maturity on any Series 2021A Bond that ceases to be a book-entry bond shall be paid by check mailed to the registered owner of such Series 2021A 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 Series 2021A 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 Series 2021A Bond for registration of transfer, the Trustee shall authenticate and deliver in exchange therefor a new Series 2021A Bond or Series 2021A Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount, and bearing or accruing interest at the same rate as the Series 2021A Bond or Series 2021A Bonds so presented and surrendered. The City or the Trustee may require the registered owner of any Series 2021A Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the registration of transfer or exchange of such Series 2021A Bond.

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

### **Redemption of the Series 2021A Bonds**

#### *Optional Redemption*

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

#### *Mandatory Sinking Fund Redemption*

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

Mandatory Sinking Fund  
Redemption Date

<u>(July 1)</u>	<u>Principal Amount to be Redeemed</u>
2032	\$5,845,000
2033	6,080,000
2034	6,320,000
2035	6,575,000
2036	6,840,000
2037	7,110,000
2038	7,395,000
2039	7,690,000
2040	8,000,000
2041*	8,320,000

\*Maturity

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

*Extraordinary Required Redemption*

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

- (i) on any date, in whole or in part, in the event all or any part of the 2021 Lessee Project Components is 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 proceeds from insurance or condemnation are not used to rebuild the 2021 Lessee Project Components (see “SECURITY FOR THE SERIES 2021A BONDS—Insurance Proceeds, Condemnation and Related Matters” below);
- (ii) on any date, in whole or in part, if United determines, as evidenced by a resolution adopted by its Board of Directors in its sole discretion, that the continued operation of the 2021 Lessee Project Components, or a substantial portion thereof, is impractical, uneconomical or undesirable for any reason, provided that United shall have deposited sufficient funds with the Trustee to be deposited in the Extraordinary Redemption Account to accomplish such a redemption;
- (iii) on any date, in whole or in part, at any time not later than 120 days after interest on the Series 2021A Bonds shall be finally determined, upon the basis of a ruling of the Internal Revenue Service (which ruling is not challenged by appropriate proceedings) or a final determination by a court of competent jurisdiction (which is not or cannot be appealed), to be includable in gross income for federal income tax purposes (except with respect to interest on any Series 2021A Bond during such time that it is held by any registered owner who is a “substantial user” of the facilities

financed or refinanced with the proceeds of the Series 2021A Bonds or a “related person” to such a “substantial user,” as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended) as a result of the failure of United to comply with its obligations under the Lease (a “Determination of Taxability”). The Series 2021A Bonds will be redeemed in whole upon a Determination of Taxability, unless in the opinion of nationally recognized bond counsel, redemption of a portion of such Series 2021A Bonds would have the result that interest payable on the Series 2021A Bonds remaining outstanding after redemption would not be so included in gross income for federal income tax purposes, in which event only such portion will be redeemed; or

(iv) on any date on or after November 1, 2029 and before January 31, 2030, in whole, in the event United does not extend the term of the Lease pursuant to its terms to a date on or after the final scheduled maturity of the then-outstanding Series 2021A Bonds.

### **Redemption Procedures**

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

In the event of any optional redemption of less than all of the Series 2021A Bonds outstanding, the particular maturity and principal amount of Series 2021A Bonds to be redeemed shall be selected by United, or if not so selected then by lot or other customary method determined by the Trustee (subject to DTC operational requirements for bonds held by DTC) and the reduction in principal amount of Series 2021A Bonds to be mandatorily redeemed on any mandatory redemption date as a result of any such redemption of less than all of the Series 2021A Bonds shall be made as provided under “—Redemption of the Series 2021A Bonds—*Mandatory Sinking Fund Redemption*” above. In the event of any extraordinary required redemption of less than all of the Series 2021A Bonds outstanding, the particular maturity and principal amount of Series 2021A Bonds to be redeemed shall be determined by the Trustee, allocating the principal amount to be redeemed as nearly as feasible pro rata among the maturities (and among mandatory redemption requirements within maturities) and interest rates of all Series 2021A Bonds (subject to DTC operational requirements for bonds held by DTC). The portion of any Series 2021A Bonds to be redeemed shall be in integral multiples of \$5,000, provided that no such redemption shall leave any Series 2021A Bond outstanding in an amount less than \$100,000.

## SECURITY FOR THE SERIES 2021A BONDS

Pursuant to the Trust Indenture, the City has assigned to the Trustee, for the benefit of the holders of the Bonds, including the Series 2021A Bonds, and to secure the due payment of the principal of, premium, if any, and interest on the Bonds, including the Series 2021A 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, related ground areas and United Funded Equipment to a replacement tenant or tenants following an event of default by United under the Lease, (iii) any insurance proceeds or refunds and all condemnation awards related to the Special Facilities available or payable to the City pursuant to the Lease, and (iv) any amounts on deposit in certain funds and accounts held by the Trustee under the Trust Indenture, including, without limitation, the Construction Fund and the Interest and Redemption Fund.

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

AN INVESTMENT IN THE SERIES 2021A BONDS INVOLVES SIGNIFICANT RISKS. See "CERTAIN BONDOWNERS' RISKS" herein.

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

### Special Facilities Payments

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

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

United is required to pay the Special Facilities Payments to the City by depositing such funds directly with the Trustee for the account of the Interest and Redemption Fund under the Trust Indenture. United is also obligated under the Lease to pay to the City certain Ground Rentals for the right to use and occupy the ground areas underlying certain parts of the Terminal E Project, 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 the terminals and other non-terminal facilities at the Airport. Such Ground Rentals, City Charges, Landing Fees and other additional rentals will not be part of the Pledged Revenues under the Trust Indenture and will not constitute security for the Series 2021A Bonds. See APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Special Facilities Payments; Other Rent and Charges."

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

### **The Guaranty**

The owners of the Series 2021A Bonds are also entitled to the benefits of the Guaranty from United to the Trustee, under which United has unconditionally guaranteed to the Trustee, for the benefit of the owners of the Bonds, including the Series 2021A Bonds, the full and prompt payment of the principal of the Bonds when and as the same becomes 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 and any premium due on the Bonds when and as the same become due and payable as provided in the Trust Indenture. United’s obligations under the Guaranty to support payment of the Bonds, including the Series 2021A Bonds, are solely an obligation of United, and not of UAL or any other existing or future subsidiary of UAL. The obligations of United under the Guaranty are unsecured and are intended to be independent of those set out in the Lease and to be enforceable without regard to the validity or enforceability of the Lease or any obligation of United contained therein. However, a bankruptcy court could limit a claim against United under both the Lease and the Guaranty. See “CERTAIN BONDOWNERS’ RISKS—Possible Limitations on Damages Against United Upon a United Bankruptcy” and APPENDIX D—“EXCERPTS OF CERTAIN PROVISIONS OF THE GUARANTY.”

### **Reletting**

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

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

During the City’s construction of the Replacement Ticketing Facilities, United will conduct ticketing operations to support its Terminal E operations in the ticketing facilities located in Terminal C and leased from the City to United pursuant to the Terminal C Lease and Use Agreement. Pursuant to the Reimbursement Agreement, until the Replacement Ticketing Facilities are complete, a portion of the Terminal C ticketing facilities will be subject to the relet rights described in the first paragraph of this section. See “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the Terminal E Project—*Replacement Ticketing Facilities*” herein.

In addition, although the Terminal C BHS does not constitute Special Facilities under the Lease and is not subject to the relet provisions of the Lease, in certain circumstances the Terminal C BHS would be subject to reasonable access and use by a tenant pursuant to the reletting provisions described above. Upon and during the

continuance of any circumstance constituting an event of default by United under the Lease, pursuant to the Terminal B and C Lease, United has agreed to provide reasonable access to and use of the Terminal C BHS to the City and to any tenant of the City pursuant to the reletting provisions described above to the extent that such access and use are necessary for the City to impose and collect rates, charges and rentals in such amounts as United is obligated to pay under the Lease, which rates, charges, and rentals will be collected by the City all for the account of United and applied in accordance with the Lease. See “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities; Availability of Reletting Revenues—Integration of Terminal E BHS with Remainder of Multi-Terminal Baggage Handling System” herein.

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

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

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

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

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**

Pursuant to the Trust Indenture and the Lease, the City reserves the right to issue one or more series of Additional Bonds (secured on a parity with the Bonds with respect to all Pledged Revenues and the Guaranty), subject only to certain limited conditions specified in the Trust Indenture and the Lease, for the purpose of paying the costs of the Lessee Project Components and any additional Special Facilities. The City may also issue Refunding Bonds, subject to the conditions of the Trust Indenture and the Lease. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Additional Bonds and Refunding

Bonds" and APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Issuance of Bonds; Payment of Costs of the Lessee Project Components."

## UNITED AIRLINES, INC.

### Corporate Structure

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

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

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

### General

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

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

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

### Regional Operations

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

incurred by the Company. In some cases, the Company owns some or all of the aircraft subject to the CPA and leases such aircraft to the regional carrier. In return, the regional carriers operate the capacity of the aircraft included within the scope of such CPA exclusively for United, on schedules determined by the Company. The Company also determines pricing and revenue management, assumes the inventory and distribution risk for the available seats and permits mileage accrual and redemption for regional flights through its MileagePlus loyalty program.

## Alliances

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

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

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

## Additional Information

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

## CERTAIN BONDOWNERS' RISKS

The following section describes certain risk factors affecting the payment of and security for the Series 2021A Bonds. The following discussion is not meant to be an exhaustive list of all the risks associated with the purchase of any Series 2021A Bonds and does not necessarily reflect the relative importance of the various risks. In evaluating the Series 2021A Bonds, potential investors should carefully consider all of the information contained in or incorporated by reference in this Official Statement, including but not limited to the Annual Report on Form 10-K for the Company for the year ended December 31, 2020 (the “2020 Annual Report”), the Quarterly Report on Form 10-Q for the Company for the quarter ended March 31, 2021, the Quarterly Report on Form 10-Q for the Company for the quarter ended June 30, 2021 (the “Q2 2021 Form 10-Q”), and other information which may be incorporated by reference in this Official Statement after the date hereof. In addition to the risk factors set forth below, potential purchasers of the Series 2021A Bonds should consider risk factors set forth under the caption “Risk Factors” contained in the Company’s Q2 2021 Form 10-Q. More information about United may be found at <http://www.sec.gov>. See also “UNITED AIRLINES, INC.” above and APPENDIX A—“AVAILABILITY OF CERTAIN INFORMATION RELATING TO UNITED AIRLINES, INC.”

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

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

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

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

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

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

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

to be down 26% compared to the third quarter of 2019. However, as noted above, the full extent of the ongoing impact of COVID-19 on the Company's longer-term operational and financial performance will depend on future developments, including vaccination programs, new variants of the virus and government-imposed travel restrictions. As such, the Company's actual flown capacity may differ materially from its currently scheduled capacity.

The Company has taken a number of actions in response to the decreased demand for air travel, including those described in Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, of the Company's Q2 2021 Form 10-Q and in Part II, Item 7 of the 2020 Annual Report. The grants and loans under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), as extended, subject the Company and its business to certain restrictions, including, but not limited to, restrictions on the payment of dividends and the ability to repurchase UAL's equity securities, requirements to maintain certain levels of scheduled service, requirements to recall certain furloughed employees and maintain U.S. employment levels through September 30, 2021 or the date on which the Company has expended all of the support, whichever is later, and certain limitations on executive compensation. These restrictions and requirements have materially affected and will continue to materially affect the Company's operations, and the Company may not be successful in managing these impacts for the duration of the restrictions. In particular, limitations on executive compensation may impact the Company's ability to attract and retain senior management or attract other key employees during this critical time.

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

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

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

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

execute its strategic operating plans. The Company has since adjusted its strategic operating plans based on our expectations for increased customer demand with the “United Next” plan. If the Company does not successfully execute or adjust its strategic operating plans in the long-term, or if actual results continue to vary significantly from its assumptions, the Company’s business, operating results and financial condition could be materially and adversely impacted.

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

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

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

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

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

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

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

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

The Company’s U.S. operations are subject to competition from traditional network carriers, national point-to-point carriers, and discount carriers, including low-cost carriers and ultra-low-cost carriers. Such

carriers may have lower costs and provide service at lower fares to destinations also served by the Company. The significant presence of low-cost carriers and ultra-low-cost carriers, which engage in substantial price discounting, may diminish the Company's ability to achieve sustained profitability on domestic and international routes. This level of discounted pricing has also caused the Company to reduce fares for certain routes, resulting in lower yields on many domestic markets. The Company's ability to compete in the domestic market effectively depends, in part, on its ability to maintain a competitive cost structure. If the Company cannot maintain its costs at a competitive level, then its business, operating results and financial condition could continue to be materially and adversely affected. In addition, the Company's competitors have established new routes and destinations, including some at the Company's hub airports, in light of the expansion opportunities presented by the COVID-19 pandemic, which may compete with the Company's existing routes and destinations and expansion plans.

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

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

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

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

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

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

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

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

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

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

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

the loss or compromise of important data. As a result, substantial or repeated systems failures or disruptions may adversely affect the Company's business, operating results and financial condition.

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

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

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

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

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

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

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

An accident, catastrophe or incident involving an aircraft that the Company operates, or an aircraft that is operated by a codeshare partner, one of the Company's regional carriers or another airline, or an incident involving the Company's operations, or the operations of a codeshare partner, Original Equipment Manufacturers, one of the Company's regional carriers or of another airline, could have a material adverse effect on the Company if such accident, catastrophe or incident created a public perception that the Company's operations, or the operations of its codeshare partners or regional carriers, are not safe or reliable, or are less safe or reliable than other airlines. Additionally, any accident, catastrophe or incident involving an aircraft type that is operated by the Company, its codeshare partners or regional carriers could have a material adverse effect on the Company if such accident, catastrophe or incident creates a public perception that such aircraft type was not safe or reliable. Further, any such accident, catastrophe or incident involving the Company, its regional carriers or its codeshare partners could expose the Company to significant tort liability. Although the Company currently maintains liability insurance in amounts and of the type the Company believes to be consistent with industry practice to cover damages arising from any such accident, catastrophe or incident, and the Company's codeshare partners and regional carriers carry similar insurance and generally indemnify the Company for their operations, if the Company's liability exceeds the applicable policy limits or the ability of another carrier to indemnify it, the Company could incur substantial losses from an accident, catastrophe or incident which may result in a material adverse effect on the Company's operating results and financial condition. In addition, any such accident, catastrophe or incident involving the Company, its regional carriers or its codeshare partners could result in operational restrictions on the Company, including voluntary or mandatory groundings of aircraft. For example, the Company decided to voluntarily ground its Boeing 737 aircraft following certain electrical issues, and in February 2021, the FAA issued an Emergency Airworthiness Directive regarding certain Boeing 777 Pratt & Whitney powered aircraft. The resulting public perceptions of the safety of its operations and the reliability of certain Boeing 777 Pratt & Whitney powered aircraft and Boeing 737 aircraft, including the new Boeing 737 MAX 8 aircraft and Boeing 737 MAX 10 aircraft that the Company ordered in the second quarter of 2021, could adversely affect the Company's business. A prolonged period of time operating a reduced fleet in these circumstances could result in a material adverse effect on the Company's operating results and financial condition.

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

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

Terrorist attacks or international hostilities, even if not made on or targeted directly at the airline industry, or the fear of or the precautions taken in anticipation of such attacks (including elevated national threat warnings, travel restrictions, selective cancellation or redirection of flights and new security regulations) could materially and adversely affect the Company and the airline industry. Security events pose a significant risk to the Company's passenger and cargo operations. These events could include acts of violence in public areas that the Company cannot control. The Company's financial resources may not be sufficient to absorb the adverse effects of any future terrorist attacks, international hostilities or other security events. Any such events could have a material

adverse impact on the Company's financial condition, liquidity and operating results. In addition, due to threats against the aviation industry, the Company has incurred, and may continue to incur, significant expenditures to comply with security-related requirements to mitigate the threats and ensure the safety of its employees and customers. With the need to implement proper security measures, and the need to ensure the efficacy and efficiency of security inspection throughput to support the pace of its operations, it is unlikely that the Company will be able to capture all security-related costs through increased fares, which could adversely affect its operating results.

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

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

The Company must manage increasing legislative, regulatory and consumer focus on privacy issues and data security in a variety of jurisdictions across the globe. For example, the European Union's (the "EU") General Data Protection Regulation imposes significant privacy and data security requirements, as well as potential for substantial penalties for non-compliance that have resulted in substantial adverse financial consequences to non-compliant companies. Also, some of the Company's commercial partners, such as credit card companies, have imposed data security standards that the Company must meet. These standards continue to evolve. The Company will continue its efforts to meet its privacy and data security obligations; however, it is possible that certain new obligations or customer expectations may be difficult to meet and could require changes in the Company's operating processes and increase the Company's costs.

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

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

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

The Company has contractual relationships with various regional carriers to provide regional aircraft service branded as United Express. These regional operations are an extension of the Company's mainline network and complement the Company's operations by carrying traffic that connects to mainline service and allows

flights to smaller cities that cannot be provided economically with mainline aircraft. The Company's business and operations are dependent on its regional flight network, with regional capacity accounting for approximately 14.6% of the Company's total capacity for the year ended December 31, 2020.

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

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

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

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

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

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

These transactions and relationships involve significant challenges and risks. Many of the companies in which the Company has invested are developing new and unproven technology. In addition, the Company faces competition in forming and maintaining relationships with other carriers, since there are a limited number of potential arrangements, and other airlines and industry participants are looking to enter into similar relationships. With regard to some of the airline investments, the Company is dependent on these other carriers for

significant aspects of its network in the regions in which they operate. While the Company works closely with these carriers, each is a separately certificated commercial air carrier, and the Company does not have control over their operations, strategy, management or business methods. And not only are these airlines subject to a number of the same risks as the Company's business, which are described elsewhere in the "risk factors" section of this Official Statement, including the impact of the COVID-19 pandemic, competitive pressures on pricing, demand and capacity, changes in aircraft fuel pricing, and the impact of global and local political and economic conditions on operations and customer travel patterns, among others, they are also subject to their own distinct financial and operational risks.

As a result of these and other factors, the Company has not received, and may in the future not receive, satisfactory or expected returns on certain of its investments or repayment of invested or loaned funds. For example, the Company recorded a full credit loss allowance for the Company's \$456 million term loan to BRW following BRW's default on such loan and the subsequent bankruptcy filing of BRW's subsidiary AVH, the parent of Aerovías del Continente Americano S.A. ("Avianca"), and the Company expects to pay \$217 million to Kingsland Holdings Limited if, as expected, BRW defaults on the cooperation payment owed to Kingsland and guaranteed by the Company. In addition, the Company's \$150 million senior secured convertible term loan to AVH, which was subsequently refinanced, or "rolled up", as a Tranche B loan in AVH's \$2 billion debtor-in-possession financing, may not be repaid, and/or may be converted into new equity of AVH, if and when it emerges from bankruptcy. Finally, as the Company exercised its right to withdraw all aircraft from its capacity purchase agreement with ExpressJet, and, as of October 1, 2020 ExpressJet no longer provides regional capacity services to United, the Company's investment in ManaAir may not be recovered in full or at all. See Notes 8, 9, 11 and 13 to the financial statements included in Part II, Item 8 of the 2020 Annual Report and Notes 6 and 7 to the financial statements included in Part I, Item I of the Company's Q2 2021 Form 10-Q for additional information regarding the Company's investments in AVH and Azul, its capacity purchase arrangements with ExpressJet and the Company's guarantee of the cooperation payment referenced above, respectively.

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

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

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

The Company faces, and may continue to face, strong competition from other carriers due to the modification of alliances and formation of new JBAs. Carriers may improve their competitive positions through airline alliances, slot swaps and/or JBAs. Certain types of airline JBAs further competition by allowing multiple airlines to coordinate routes, pool revenues and costs, and enjoy other mutual benefits, achieving many of the benefits of consolidation. "Open Skies" (meaning all U.S.-flag carriers have access to the destination) agreements, including the longstanding agreements between the United States and each of the EU, Canada, Japan, Korea, New Zealand, Australia, Colombia and Panama, as well as the more recent agreements between the United States and each of Mexico and Brazil, may also give rise to better integration opportunities among international carriers. Movement of airlines between current global airline alliances could reduce joint network coverage for members of such alliances while also creating opportunities for JBAs and bilateral alliances that did not exist before such realignment. Further airline and airline alliance consolidations or reorganizations could occur in the future. The

Company routinely engages in analyses and discussions regarding its own strategic position, including current and potential alliances, asset acquisitions and divestitures and may have future discussions with other airlines regarding strategic activities. If other airlines participate in such activities, those airlines may significantly improve their cost structures or revenue generation capabilities, thereby potentially making them stronger competitors of the Company and potentially impairing the Company's ability to realize expected benefits from its own strategic relationships.

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

The Company's orders for new aircraft are typically made years in advance of actual delivery of such aircraft, and the financial commitment required for purchases of new aircraft is substantial. As of June 30, 2021, the Company had firm commitments to purchase 553 new aircraft from The Boeing Company ("Boeing"), Airbus S.A.S ("Airbus") and Embraer S.A. ("Embraer"), as well as related agreements with engine manufacturers, maintenance providers and others. As of June 30, 2021, the Company's commitments relating to the acquisition of aircraft and related spare engines, aircraft improvements and other related obligations aggregated to a total of approximately \$35.3 billion.

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

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

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

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

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

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

United is a highly unionized company. As of June 30, 2021, the Company and its subsidiaries had approximately 84,400 employees, of whom approximately 85% were represented by various U.S. labor organizations. See Part I, Item 1. Business—Human Capital, of the 2020 Annual Report for additional information on its represented employee groups and collective bargaining agreements.

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

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

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

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

maintenance of these services or whether vendors will improve or continue to provide services that are essential to its business.

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

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

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

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

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

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

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

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

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

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

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

In general, a corporation that experiences an ownership change will be subject to an annual limitation on its pre-ownership change NOLs and certain other tax attribute carryforwards equal to the value of the corporation’s stock immediately before the ownership change, multiplied by the applicable long-term, tax-exempt rate posted by the IRS. Any unused annual limitation may, subject to certain limits, be carried over to later years, and the limitation may, under certain circumstances, be increased by built-in gains in the assets held by such corporation at the time of the ownership change. This limitation could cause the Company’s U.S. federal income taxes to be greater, or to be paid earlier, than they otherwise would be, and could cause a portion of the Company’s NOLs and certain other tax attributes to expire unused. Similar rules and limitations may apply for state income tax purposes.

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

On December 4, 2020, the board of directors of the Company adopted a tax benefits preservation plan (the “Plan”) in order to preserve the Company’s ability to use its NOLs and certain other tax attributes to

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

*Risks Relating to Legal and Regulatory Compliance.*

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

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

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

In 2018, the U.S. Congress approved a five-year reauthorization for the FAA, which encompasses significant aviation tax and policy-related issues. The law includes a range of policy changes related to airline customer service and aviation safety. Implementation of some items continues into the Biden Administration and, depending on how they are implemented, could impact the Company's operations and costs. U.S. Congressional action in response to the COVID-19 pandemic has provided funding for U.S. airlines, in both grants and loans. The U.S. Congress has imposed limited conditions on airlines accepting funding, including workforce retention and minimum service requirements. With the change in control of the U.S. Congress, under the Biden Administration, any future funding or other pandemic relief could include additional requirements that could impact the Company's operations and costs. Additionally, the U.S. Congress may consider legislation related to environmental issues or increases to the U.S. federal corporate income tax rate, as outlined in the Biden Administration's tax plan or otherwise, which could impact the Company and the airline industry.

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

in a timely manner and the substantial funding requirements of a modernized ATC system that may be imposed on air carriers may have an adverse impact on the Company's financial condition or operating results.

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

The ability of carriers to operate flights on international routes between the United States and other countries is highly regulated. Applicable arrangements between the United States and foreign governments may be amended from time to time, government policies with respect to airport operations may be revised, and the availability of appropriate slots or facilities may change. The Company currently operates a number of flights on international routes under government arrangements, regulations or policies that designate the number of carriers permitted to operate on such routes, the capacity of the carriers providing services on such routes, the airports at which carriers may operate international flights, or the number of carriers allowed access to particular airports. In addition, the pandemic has resulted in, and created the potential for, increased regulatory burdens in the U.S. and around the globe. These include but are not limited to closure of international borders to flights and/or passengers from specific countries, passenger and crew quarantine requirements, and other regulations promulgated to protect public health but that have a negative impact on travel and airline operations. Any limitations, additions or modifications to such arrangements, regulations or policies could have a material adverse effect on the Company's financial condition and operating results. Additionally, a change in law, regulation or policy for any of the Company's international routes, such as Open Skies, could have a material adverse impact on the Company's financial condition and operating results and could result in the impairment of material amounts of related tangible and intangible assets. In addition, competition from revenue-sharing JBAs and other alliance arrangements by and among other airlines could impair the value of the Company's business and assets on the Open Skies routes. The Company's plans to enter into or expand U.S. antitrust immunized alliances and JBAs on various international routes are subject to receipt of approvals from applicable U.S. federal authorities and obtaining other applicable

foreign government clearances or satisfying the necessary applicable regulatory requirements. There can be no assurance that such approvals and clearances will be granted or will continue in effect upon further regulatory review or that changes in regulatory requirements or standards can be satisfied.

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

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

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

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

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

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

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

*Risks Relating to the Company's Indebtedness.*

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

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

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

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

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

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

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

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

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

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

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

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

The agreements governing the MileagePlus Financing restrict the Company's ability to terminate or modify the intercompany agreements governing the relationship between United and the MileagePlus program,

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

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

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

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

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

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

*General Risk Factors.*

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

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

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

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

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

The Company could be exposed to significant liability or loss if its property and/or operations were to be affected by a natural catastrophe, aircraft accident or other event. The Company maintains insurance policies, including, but not limited to, terrorism, aviation hull and liability, workers' compensation and property and business interruption insurance, but the Company is not fully insured against all potential hazards and risks incident to its business. If the Company is unable to obtain sufficient insurance with acceptable terms, the costs of such insurance increase materially, or if the coverage obtained is unable to pay or is insufficient relative to actual liability or losses that the Company experiences, whether due to insurance market conditions, policy limitations and exclusions or otherwise, its operations, operating results and financial condition could be materially and adversely affected.

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

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

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

Rather than treating the Lease as an unexpired lease of non-residential real property in bankruptcy, United's bankruptcy trustee or United as debtor-in-possession could instead seek to treat the Lease as a disguised loan with respect to all or any portion of the Special Facilities, and it is possible that the bankruptcy court could agree with such recharacterization. In such circumstances, subject to compliance with applicable provisions of the Bankruptcy Code, United could seek to suspend its Special Facilities Payments with respect to affected Special Facilities during the pendency of its bankruptcy proceedings. Bondholders would likely be treated as secured creditors of United with respect to the suspended Special Facilities Payments (which could ultimately be restructured or reduced) and the affected Special Facilities, but an automatic stay against enforcing remedies could prevent the City from terminating the Lease. As a result, United could then remain in possession of the affected Special Facilities and related ground areas 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, related ground areas and United Funded Equipment 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, including the Series 2021A Bonds.

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

Unavailability of United Funded Equipment. As described above under “THE SPECIAL FACILITIES AND RELATED LEASE ARRANGEMENTS—Description of the 2021 Lessee Project Components and United Funded Equipment,” United will install United Funded Equipment, consisting of certain proprietary information technology (“IT”) equipment necessary to support the Terminal E BHS, which equipment does not constitute Special Facilities. Although such United Funded Equipment will be subject to the reletting provisions of the Lease described under the caption “SECURITY FOR THE SERIES 2021A BONDS—Reletting” to the extent such equipment is located in facilities leased to United under the Lease at such time, such equipment constitutes personal property of United and, as such, may be removed by United during the term of the Lease provided that (1) no event of default by United has occurred and is continuing under the Lease and (2) such removal does not damage or impair the Special Facilities (or United at its expense restores the Special Facilities to the same or better condition than existed prior to such removal). If the Terminal E BHS is vacated by United following an event of default by it under the Lease such that it can be relet and, at such time, United has removed the United Funded Equipment from the terminal, then such equipment will not be available to any replacement tenant for the Special Facilities. In such circumstance, in order to operate the Terminal E BHS, a replacement tenant would need to either: (1) if the party or parties then leasing or using Terminal C BHS has appropriate IT equipment to operate the entirety of the baggage handling system, enter into an agreement with such party to allow for the mutual benefit and use of such equipment, or (2) purchase or otherwise obtain appropriate IT equipment as needed to operate the Terminal E BHS, which is expected to cost approximately \$1,950,000. There can be no assurance that the City will be able to find a replacement tenant willing to take such steps, or that, even if such a replacement tenant could be found, that it would be willing or able to pay sufficient rentals to lease the Special Facilities to ensure the full payment of the Bonds, including the Series 2021A Bonds, when due.

Extraordinary Required Redemption of Bonds. As further described under “THE SERIES 2021A BONDS—Redemption of the Series 2021A Bonds—*Extraordinary Required Redemption*” above, the Series 2021A Bonds are subject to extraordinary required redemption in certain circumstances, including: (i) from certain insurance or condemnation proceeds in the event that all or part of the 2021 Lessee Project Components are damaged or destroyed, or taken or condemned, or (ii) if United determines that continued operation of the 2021 Lessee Project Components or a substantial portion thereof is impractical, uneconomical or undesirable, provided that United has provided funds for such redemption. The Series 2021A Bonds will not be subject to extraordinary required redemption in the event of damage, destruction, taking, or condemnation of portions of the Special

Facilities other than the 2021 Lessee Project Components, or if United determines that continued operations of portions of the Special Facilities not constituting 2021 Lessee Project Components is impractical, uneconomical, or undesirable. Depending on the specific Special Facilities subject to such damage, destruction, taking, condemnation, or determination, it is possible that some or all of the Series 2014 Bonds and/or the Series 2020A Bonds could be subject to extraordinary required redemption while the Series 2021A Bonds are not, even though all series of the Bonds are secured on a parity with one another. In such event, the Series 2021A Bonds could remain outstanding despite significant damage to, or undesirability of, the Special Facilities generally, which could limit the City's ability to find a replacement tenant for such Special Facilities or could reduce the replacement rental value of such Special Facilities.

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

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

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

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

Upon certain payment-related events of default under the Trust Indenture, the Trustee may declare all amounts owed under the Bonds, including the Series 2021A Bonds, immediately due and payable. See APPENDIX B—"SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Events of Default and Remedies." The Lease provides that United must pay the Special Facilities Payments in an amount sufficient to pay all amounts when due upon the Bonds (including the Series 2021A Bonds) upon acceleration or otherwise. Texas law concerning real property leases provides for certain remedies available to a lessor for breach of a lease for real property, and acceleration of all rental payments due under the lease may not be an available remedy. A court

could conclude that the requirement that United pay Special Facilities Payments in an amount equal to the amount due on any of the Bonds following an acceleration of such Bonds is, in effect, an impermissible acceleration of the rent due under a lease for real property and refuse to enforce the payment. If a court were to come to such conclusion, the Trustee could pursue other remedies available under the Trust Indenture. Such remedies, however, may not provide for the full payment of the principal and interest then due on the accelerated Bonds, including the Series 2021A Bonds.

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

The Lease and the Guaranty do not prohibit United from consolidating or merging with or into another corporation or entity, or from selling or otherwise disposing of all or substantially all of its assets, as long as the surviving, resulting or transferee corporation, as the case may be, if not United, (i) assumes in writing all of United's obligations under the Lease or the Guaranty, as applicable, and (ii) qualifies or is qualified to do business in Texas. See APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Miscellaneous" and APPENDIX D—"EXCERPTS OF CERTAIN PROVISIONS OF THE GUARANTY."

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

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

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

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

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

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

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

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

If the Lease were determined to be an unexpired lease of non-residential real property, the amount of a corresponding claim for damages against United in connection with the Bonds, including the Series 2021A Bonds, may be limited to the amount of the rejection damages claim under the Lease pursuant to Section 502(b)(6) of the Bankruptcy Code, in which case such claim may be limited to the rent payable under the Lease (without acceleration) for the greater of either one year or 15% of the rent due under the remaining term of the Lease, but not to exceed three years of total rent, following the earlier of (a) the date the bankruptcy petition was filed, and (b) the date on which the City repossessed, or United surrendered, possession of the leased property under the Lease, plus any unpaid rentals under the Lease (without acceleration) on the earlier of such dates. In this event, any claim with respect to the Bonds that do not mature (absent acceleration) within the period of one year or 15% of the remaining term of the Lease (but not in excess of three years) following the bankruptcy commencement date (i.e., the earlier of (a) or (b) above) could be limited to the interest and principal that would accrue on such Bonds during such period and may not permit a claim for the recovery of other principal. Likewise, if the Lease is assumed and then subsequently rejected (because, for example, following its assumption in a Chapter 11 case the case is then converted to liquidation under Chapter 7), the damages arising therefrom may be limited under Section 503(b)(7) of the Bankruptcy Code to not more than 2 years of rent as an allowed administrative expense, albeit junior to the administrative expenses of the Chapter 7 proceeding.

Pursuant to the terms of the Guaranty, United unconditionally guarantees to the Trustee, for the benefit of the owners of the Bonds, including the Series 2021A 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 the Trust Indenture. The obligations covered by the Guaranty are intended by the parties to be independent of those set out in the Lease (and thereby not subject to the Bankruptcy Code limitations discussed above) and to be enforceable without regard to the validity or enforceability of the Lease or any obligation of United contained therein. In the event a bankruptcy case were filed with respect to United, the Trustee may file a claim pursuant to the Guaranty, independently of any claim under the Lease and Trust Indenture, for the payment of all amounts, if any, required for the payment of the principal of, redemption premium, if any, and interest on the 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, including the Series 2021A Bonds.

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

## NO LITIGATION

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

## RATING

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

## CO-FINANCIAL ADVISORS

The City has retained Masterson Advisors LLC and The RSI Group, LLC to serve as its co-financial advisors in connection with the issuance of the Series 2021A Bonds (the “Co-Financial Advisors”). The Co-Financial Advisors have not independently verified any of the information contained in this Official Statement and make no guarantee as to its completeness or accuracy. The Co-Financial Advisors’ fees for certain of the services rendered with respect to the sale of the Series 2021A Bonds are contingent upon the issuance and delivery of the Series 2021A Bonds.

## UNDERWRITING

The Series 2021A Bonds are being purchased by Citigroup Global Markets Inc., on behalf of itself and Wells Fargo Securities, LLC, Siebert Williams Shank & Co., LLC, and Blaylock Van, LLC (collectively, the “Underwriters”) at a purchase price of \$75,094,885.88, which represents (i) the par amount of the Series 2021A Bonds, \$70,175,000.00, (ii) plus an original issue premium of \$5,499,614.75, (iii) less an Underwriters’ discount of \$579,728.87, to be funded from bond proceeds, as compensation for the purchase and sale of the Series 2021A Bonds and as reimbursement for certain expenses of the Underwriters related to such Series 2021A Bonds.

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

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

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such

securities and instruments. Such investment and securities activities may involve securities and instruments of the City, United, or UAL.

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

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

Citigroup Global Markets Inc., an underwriter of the Series 2021A Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

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

## **CONTINUING DISCLOSURE**

### **General**

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

### **Compliance with Prior Undertakings**

United has made timely filings of its Annual Report on Form 10-K and other required periodic reports and current reports with the SEC during the past five years. United has become aware, however, that during the last five years there have been certain instances where it did not timely file its Annual Report on Form 10-K with EMMA, as required under certain other continuing disclosure agreements that United entered into in connection with prior issuances of special facilities revenue bonds. In addition, United has become aware of certain limited instances in which it did not make timely filings of certain ratings changes to particular special facilities revenue bonds, and one instance in which it’s required annual disclosure, though timely submitted, omitted one item that was

required to have been updated. United has made corrective filings with respect to such matters and anticipates satisfying its continuing disclosure undertakings on a timely basis. United has adopted written policies and procedures relating to its continuing disclosure obligations under Rule 15c2-12 designed to facilitate United's compliance with its continuing disclosure undertakings.

## TAX MATTERS

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

### Tax Exemption

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

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Series 2021A Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The City has covenanted in the Trust Indenture and United has covenanted in the Lease that they will comply with these requirements.

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

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

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

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

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

**Collateral Tax Consequences.** Prospective purchasers of the Series 2021A Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers qualifying for the health insurance premium assistance tax credit, and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Series 2021A Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Series 2021A Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Series 2021A Bonds, received or accrued during the year.

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

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

### **Tax Legislative Changes**

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

## **OTHER LEGAL MATTERS**

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

## **MISCELLANEOUS**

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

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

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

**CITY OF HOUSTON, TEXAS**

Approved by:

**UNITED AIRLINES, INC.**

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## APPENDIX A

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

#### Available Information

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

#### Incorporation of Certain Documents by Reference

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

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

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

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

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

## APPENDIX B

### SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following are summaries of certain provisions of the Original Trust Indenture, dated August 1, 2001, as supplemented by that certain First Supplemental Trust Indenture, dated as of June 1, 2014, that certain Second Supplemental Trust Indenture, dated as of June 1, 2020, and that certain Third Supplemental Trust Indenture, dated as of August 1, 2021 (together, the “Trust Indenture”). *The summaries contained in this Appendix B do not purport to be complete or definitive and are qualified in their entirety by reference to the full provisions of the Trust Indenture.*

#### Definitions

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

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

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

“Authorized Investments” means 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.

“Bonds” means, collectively, the Series 2014 Bonds, the Series 2020A Bonds, the Series 2021A Bonds and any Additional Bonds and Refunding Bonds from time to time hereafter issued under the Trust Indenture.

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

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

“Construction Fund” means the Construction Fund created under the Trust Indenture, and any accounts created in such fund, including the Series 2021A Construction Account.

“Costs of the Lessee Project Components” and “Costs of Special Facilities” have the meaning set forth in Appendix C of this Official Statement.

“Guaranty” means that certain Amended and Restated Guaranty, dated 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.

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

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

“Lease” means the Terminal E Lease and Special Facilities Lease Agreement, dated as of August 1, 2001, between the City and Lessee, as amended and supplemented, including by Amendment No. 1 to Terminal E Lease and Special Facilities Lease Agreement, and as may be further amended and supplemented from time to time as permitted pursuant to the Trust Indenture.

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

“Original Trust Indenture” means that certain Trust Indenture between the City and The Bank of New York Mellon Trust Company, National Association (successor in trust to The Chase Manhattan Bank), as trustee, dated as of 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 the Trust Indenture, except, without duplication: (1) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation; (2) Bonds for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Bonds, provided that, if such Bonds are to be redeemed prior to the stated maturity thereof, notice of such redemption has been duly given pursuant to the Trust Indenture, or waived, or provision therefor satisfactory to the Trustee has been made; (3) Bonds in lieu of which another Bond has been authenticated and delivered under the Trust Indenture; and (4) Bonds held or owned by the City or the Lessee.

“Paying Agent” means the Trustee.

“Pledged Revenues” means 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 certain 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.”

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

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

“Series 2020A Bonds” means the City of Houston, Texas Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020A (AMT).

“Series 2021A Bonds” means the City of Houston, Texas Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal E Project), Series 2021A (AMT).

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

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

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

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

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

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

## **Source of Payment for Bonds**

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

## **Special Funds**

***Interest and Redemption Fund.*** The Interest and Redemption Fund, including the Extraordinary Redemption Account (as defined in the Trust Indenture) therein, shall constitute a trust fund to be held in trust by the Trustee for the benefit of the Holders and will be used solely as provided in the Trust Indenture so long as any Bonds remain Outstanding.

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

- (i) As collected, all Special Facilities Payments paid under the Lease; and
- (ii) As collected, any and all other amounts required to be paid by the Lessee under the Lease and other Pledged Revenues.

Moneys deposited to the credit of the Interest and Redemption Fund, including the Extraordinary Redemption Account, shall be used solely for the purpose of paying principal of (either at maturity or prior redemption), premium, if any, and interest on the Bonds.

At such time as the moneys and Authorized Investments on deposit to the credit of the Interest and Redemption Fund are sufficient to provide for the timely payment of all principal of and interest on the Bonds, no further payments need be made to the Interest and Redemption Fund.

***Construction Fund.*** The Construction Fund, including the Construction Account (as defined in the Trust Indenture) and Capitalized Interest Sub-Accounts (as defined in the Trust Indenture) contained therein, shall constitute a trust fund which shall be applied and disbursed by the Trustee as provided in the Trust Indenture. Proceeds from the sale of the Series 2021A Bonds shall be deposited in the Series 2021A Construction Account (as defined in the Trust Indenture) of the Construction Fund.

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

## ***Investment of Funds***

Moneys from time to time on deposit to the credit of the Interest and Redemption Fund and the Construction Fund, inclusive of the Construction Accounts and Capitalized Interest Sub-Accounts (as defined in the Trust Indenture), 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 the Trust Indenture, for the Bonds becoming

“arbitrage bonds” by reason of any investments so made, or for any loss resulting from the redemption or sale of any such investments as authorized by the Trust Indenture.

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.

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 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.

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

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

(a) The failure to make payment of the principal of or any installment of interest on any of the Bonds 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 the Trust 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 the Trust 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.

***Remedies.*** Upon the happening and continuation of any Event of Default as provided in “—Events of Default” above, 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 the Trust Indenture, shall proceed against the City and/or the Lessee for the purpose of protecting and enforcing the rights of the Holders of Bonds under the Trust 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 in the Trust Indenture, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the Holders of the Bonds under the Trust Indenture or any combination of such remedies as the Trustee shall deem most effectual to protect and enforce any of its rights or the rights of the Holders of the Bonds. It is provided, however, that all such proceedings at law or in equity against the City shall be strictly limited to the security and source of payment pledged to the Bonds in the Trust Indenture 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 provided in the Trust Indenture 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 under the Trust Indenture.

***Acceleration.*** If an Event of Default as provided in paragraph (a) above under “—Events of Default” above shall occur and be continuing as a result of the Lessee’s failure to make Special Facilities 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 the Trust Indenture, 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 provided in the Trust Indenture, there shall have been deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by State law, on overdue installments of interest, at the rate per annum borne by the Bonds on the date of such declaration) and such amounts as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee, and all Events of Default under the Trust Indenture other than nonpayment of the principal of Bonds which shall have become due by said declaration shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission and annulment to the City and the Lessee and, if notice of the acceleration of the Bonds shall have been given to the Holders, shall give notice thereof to the Holders, but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

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

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

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

***Restrictions Upon Action by Individual Holders.*** No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Trust Indenture or for any other remedy under the Trust Indenture unless (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 proceeding 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 granted in the Trust Indenture 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. Each such notification, request and offer of indemnity described in the preceding sentence may be declared, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Trust Indenture or for any other remedy under the Trust Indenture. No one or more Holders secured by the Trust Indenture shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Trust Indenture or to enforce any right under the Trust Indenture except in the manner provided in

this paragraph, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in this paragraph and for the benefit of all Holders.

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

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

### **The Trustee**

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

### **Supplemental Indentures**

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

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

(ii) 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;

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

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

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

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

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

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

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

***Supplemental Indentures Requiring Consent of Holders.*** The City and the Trustee may, at any time, enter into one or more supplements to the Trust Indenture amending, modifying, adding to or eliminating any of the provisions of the Trust Indenture but, if such supplement is not of the character described above under “—Supplemental Indentures Not Requiring Consent of Holders,” only with the written consent of the Lessee and the Holders of not less than 51% of the Bonds Outstanding under the Trust Indenture at the time of the adoption of such supplement (not including any Bonds then held or owned by the City); provided, however, that, without the consent of all Holders, no such supplement 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 by the Trust Indenture; (iv) a reduction of the principal amount of Bonds required for consent to amendments to the Trust Indenture; (v) the establishment of priorities among Bonds; or (vi) a reduction in the aggregate principal amount of the Bonds required for consent to any other change in the Trust Indenture, without the consent of the Holders of all the Bonds of the series of Bonds affected then Outstanding.

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

Whenever, at any time within one (1) year after the date of the first giving of such notice, the City shall deliver to the Trustee an instrument or instruments purporting to be executed by the Holders of not less than 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.

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 the Trust Indenture 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.

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

Any consent given by a Holder pursuant to the provisions of the Trust Indenture 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.

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

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

***Approval by Lessee.*** 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), 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.

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

#### **Defeasance of the Series 2021A Bonds**

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

The City may discharge its obligation to the Holders of any or all of the Series 2021A Bonds to pay principal, interest and redemption premium (if any) thereon in any manner now permitted by law or as may be then permitted by law, including, but not limited to, by depositing with an escrow agent or with the Paying Agent for such Series 2021A Bonds either: (i) cash in an amount equal to the principal amount and redemption premium, if any, of such Series 2021A Bonds plus interest thereon to the date of maturity or redemption, or (ii) pursuant to an escrow or trust agreement, cash and/or Investments (as defined in the following paragraph) in principal amounts and maturities and bearing interest at rates sufficient (in the opinion of an independent certified public accountant) to provide for the timely payment of the principal amount and redemption premium, if any, of such Series 2021A Bonds plus interest thereon to the date of maturity or redemption; provided, however, that if any of the Series 2021A Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in the form of Series 2021A Bonds. To accomplish defeasance, the City shall cause to be delivered either a report (a "Report") of an independent certified public accountant acceptable to the Trustee verifying the sufficiency of such deposit or an opinion (a "Defeasance Opinion") of nationally recognized bond counsel to the effect that such Series 2021A Bonds are no longer outstanding under State law and the Trust Indenture; the Report or Defeasance Opinion shall be acceptable in form and substance and addressed to the City, United and the Trustee. Upon such deposit and delivery of the Report or Defeasance Opinion, such Series 2021A Bonds shall no longer be regarded to be Outstanding or unpaid.

As used in the above paragraph, "Investments" means (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 of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City authorizes the discharge by deposit of any or all of the Series 2021A Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (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 City authorizes the discharge by deposit of any or all of the Series 2021A Bonds, are rated as to investment

quality by a nationally recognized investment rating firm of not less than AAA or its equivalent; and (iv) any other obligation or investment permitted under Chapter 1207, Texas Government Code, as amended.

## **Covenants of the City**

***Concerning the Lease.*** The City covenants and warrants, among other things, that so long as any Bonds remain Outstanding, (i) the City will not consent to or grant any modification of or amendment to the section of the Lease relating to Lessee's obligation to pay Special Facilities Payments; (ii) the City will not consent to or grant any modification of or amendment to any other provision of the Lease that would have the effect of reducing, altering or modifying the obligations of Lessee to pay Special Facilities Payments, 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 under the Lease, or would materially and adversely affect the security provided for the payment of the Bonds; and (iii) the City will perform and discharge its duties and obligations under the Lease and will use its Best Efforts (as defined in Appendix C to this Official Statement) to require the Lessee to perform and discharge each and all of its duties and obligations under the Lease.

***Collection of Special Facilities Payments and Other Payments.*** The City shall use Best Efforts to cause the Special Facilities Payments and any other payments 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 by the Trust Indenture and in the Lease.

***Completion and Acquisition of Lessee Project Components.*** The City covenants and agrees to use its Best Efforts to cause the Lessee Project Components to be acquired by and conveyed to the City and to cause the Lessee to apply the proceeds of the Bonds (other than Refunding Bonds) or other amounts payable under the Lease for the purpose of completing the Lessee Project Components.

***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, all without expense to the City.

***Payment of Bonds.*** Subject to the provisions set forth above under "Source of Payment for Bonds," the City agrees promptly to cause to be paid as same become due and payable the principal of, premium, if any, and interest on the Bonds.

***Transfers and Assignments.*** 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 the Trust Indenture; provided, however, that such 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. 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 the Lease relating to assignments and subletting by the Lessee.

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

***Pledged Revenues, Encumbrance of Pledged Revenues.*** The Pledged Revenues are not in any manner pledged to the payment of any debt or obligation of the City other than the Bonds. Except through the issuance of

Additional Bonds and Refunding Bonds, the City covenants that it will not in any manner pledge or further encumber the Pledged Revenues.

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

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

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

(b) 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 has not been altered, rescinded, amended or changed by the Lessee or the City.

(c) 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 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.

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

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

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

\* \* \*

## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

The following are summaries of certain provisions of (i) the Terminal E Lease and Special Facilities Lease Agreement between the City of Houston, Texas and United Airlines, Inc. (previously known as Continental Airlines, Inc.) (“Lessee”) dated August 1, 2001, as amended and supplemented prior to the issuance of the Series 2021A Bonds and (ii) Amendment No. 1 to Terminal E Lease and Special Facilities Lease Agreement.

The Series 2021A Bonds qualify as “Additional Bonds” under the Lease (as defined below). Accordingly, all references in this Appendix C to “Bonds” includes the Series 2021A Bonds.

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

#### Definitions

The following terms have the following meanings:

“2021 City Project Components” means the construction of a baggage tunnel and above-ground baggage corridor, along with all finishes included as further described the Lease. The 2021 City Project components partially replace the baggage tunnel financed as part of the Original Terminal E Project.

“2021 Ground Lease Properties” means the Ground Lease Properties not otherwise leased under the Original Agreement constituting the footprint for the floor space required to construct the 2021 Lessee Project Components, all as more fully described in the Lease.

“2021 Lessee Project Components” means the 2021 Terminal E Baggage Handling System, together with any modifications, additions or reductions thereto approved by the Director.

“2021 Reimbursement Agreement” means the Reimbursement Agreement (Terminal C Ticketing Lobby) between the City and United entered into on or about the same date as the First Amendment.

“2021 Terminal E Baggage Handling System” means the baggage handling system, tenant improvements, fixtures, equipment, personnel areas, including an employee break room, storage and related facilities located in Terminal E, as more fully described in the Lease. The 2021 Terminal E Baggage Handling System replaces the Lessee’s Terminal E Baggage System Improvements financed pursuant to the Original Agreement.

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

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

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

“APM” means the automated people mover system.

“Best Efforts” when used in the Lease in connection with a party’s taking of an action or attempting to cause a specific result to occur means that the party obligated to use its Best Efforts in such regard will use all commercially reasonable efforts under the then applicable circumstances, as considered in good faith by the party so

obligated, to take such action or cause such result to occur, it being agreed, however, that without limiting the generality of the foregoing, when describing an obligation of the City, "Best Efforts" will not include the obligation to invoke the City's police powers or any other power or authority derived solely from the City's status as a municipal corporation.

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

"Central FIS" means a structure constructed by the City between Terminals D and E for the primary purpose of processing inbound international passengers and for related purposes. The Central FIS does not include Lessee's Central Ticketing Facility.

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

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

"City Project Components" means 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, and the 2021 City Project Components, all as more fully described in the Lease.

"Costs of the Lessee Project Components" or "Costs of the Special Facilities" means 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 the 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 the Lease, the Trust Indenture, any preliminary and the final offering documents pertaining to the Bonds, and any printing fees for such documents, any purchase agreements pursuant to which the Bonds will be sold, all credit agreements and other documents providing security for the Bonds or the obligations owing to the City under the Lease and all other agreements and documents involved and contemplated thereby, 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 the Lease 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.

“Director” means the Director of the Department of Aviation of the City or his designee.

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

“Favorable Opinion of Bond Counsel” means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of bond counsel to the effect that such action or omission does not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Bonds under existing law (subject to the inclusion of any exceptions contained in the opinion of bond counsel delivered upon the original issuance of the Bonds or other customary exceptions acceptable to the recipient thereof).

“First Amendment” means the Amendment No. 1 to Terminal E Lease and Special Facilities Lease Agreement between the City and Lessee.

“Ground Lease Properties” means 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 the Lease. On and after the date of issuance of the Series 2021A Bonds, “Ground Lease Properties” includes the 2021 Ground Lease Properties as more fully described in the Lease. On and after the Replacement Ticketing Facilities Substantial Completion Date, “Ground Lease Properties” (i) will include the ground lease properties associated with the Replacement Ticketing Facilities, as more fully described in the Lease and (ii) will no longer include the footprint of the Lessee Central Ticketing Facility.

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

“Guaranty” means the Amended and Restated Guaranty dated as of June 1, 2014, from Lessee to the Trustee guaranteeing the payment of the Bonds by United Airlines, Inc.

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

“International Central Processor” means the consolidated international central processor (including a ticketing hall, security checkpoint, checked baggage inspection system, baggage claim and roadway and curbside improvements) to be constructed and financed by the City, to serve Terminal E and Terminal D at the Airport.

“International Facilities Agreement” means the International Facilities Agreement, effective as of August 22, 2005, by and between the City and United, pursuant to which United has common use rights to certain facilities in Terminal D.

“Lease” means the Original Agreement, as amended and supplemented, including by the First Amendment, and as may be further amended and supplemented from time to time as permitted pursuant to the Trust Indenture.

“Lessee Central Ticketing Facility” means those tenant improvements, fixtures, equipment and related facilities in the Central FIS financed by the proceeds of the Series 2001 Bonds, as further described in the Lease.

“Lessee Project Components” means the South Concourse, Lessee’s Central Ticketing Facility, Lessee’s Terminal C-East Garage ATO Facility, Lessee’s Terminal E Baggage System Improvements and the 2021 Lessee Project Components, all as more fully described in the Lease, together with any modifications, additions or reductions thereto approved by the Director.

“Lessee’s Terminal C-East Garage ATO Facility” means 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 the Lease.

“Lessee’s Terminal E Baggage System Improvements” means those tenant improvements, fixtures, equipment and related facilities financed by the proceeds of the Series 2001 Bonds consisting of a baggage conveyance system, as further described in the Lease.

“New IFA” means a new agreement negotiated between the City and United to replace the existing International Facilities Agreement.

“Original Agreement” means the Terminal E Lease and Special Facilities Lease Agreement, dated as of August 1, 2001, between the City and Lessee, as amended and supplemented prior to the First Amendment.

“Original Terminal E Project” means the portion of the Terminal E Project contemplated by the Original Agreement, and expressly excludes the 2021 Lessee Project Components, the 2021 City Project Components, and the Replacement Ticketing Facilities.

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

“Phase” refers to certain phases of the Original Terminal E Project facilities and expressly excludes the 2021 Lessee Project Components and the 2021 City Project Components.

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

“Replacement Ticketing Facilities” means those tenant improvements, fixtures, equipment and related facilities in the International Central Processor as described in the Lease.

“Replacement Ticketing Facilities Substantial Completion Date” means the date on which the Replacement Ticketing Facilities are sufficiently completed to enable use and occupancy thereof by Lessee, as evidenced by a certificate executed by the Director.

“Segment” means any discrete, independently operable segment of the Lessee Project Components (other than the 2021 Lessee Project Components) or City Project Components (other than the 2021 City Project Components) as may be agreed to by Lessee and the Director for which a date of Substantial Completion may be established as more fully provided in the Lease. The term Segment expressly excludes the 2021 Lessee Project Components and the 2021 City Project Components.

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

“Series 2021A Bonds” means the City of Houston, Texas Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal E Project), Series 2021A (AMT).

“Shell for Central Ticketing Facility and Associated Ramp” means those portions of the Central FIS that encase Lessee’s Central Ticketing Facility together with the vehicle ramp adjacent thereto, as described in the Lease.

“South Concourse” means those buildings, improvements, fixtures, equipment and related facilities as more fully described in the Lease.

“Special Facilities” means the Lessee Project Components, all extensions, additions, modifications and improvements thereto and all other improvements, fixtures, equipment and facilities that, pursuant to the Lease or any supplement hereto or amendment hereof, are financed with any proceeds of the Series 2001 Bonds or any Additional Bonds; provided however that on and after the Replacement Ticketing Facilities Substantial Completion Date, Special Facilities (i) will include the Replacement Ticketing Facilities and (ii) will no longer include the Lessee Central Ticketing Facility.

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

“Subsidiary” means any subsidiary of Lessee that is wholly owned as of August 1, 2001 or that may become wholly owned provided that, during the exercise of rights under the Lease by such entity as a Subsidiary, Lessee will 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 will 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 the Lease, Lessee no longer will be responsible for the actions (or activity fees) of such Subsidiary.

The term “Subsidiary” also means, for any air carrier that on or after August 1, 2001 will have been wholly owned by Lessee and thereafter will 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 will 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 will be evidenced by Lessee’s execution and delivery to the Director of an Agreement of Responsibility and (ii) the air carrier will have executed and delivered to the Director an Acknowledgment and Reporting Agreement.

“Substantial Completion” or “Substantially Completed” means (i) with respect to the Lessee Project Components, the date on which the Lessee Project Components (or any Segment) will be sufficiently completed to enable use and occupancy for their intended purpose, as evidenced by a certificate executed by an authorized Lessee representative, a licensed architect or another party approved by the Director and a Certificate of Occupancy issued by the City, (ii) with respect to the City Project Components, the date on which the City Project Components will be sufficiently completed to enable use and occupancy for their intended purpose, as evidenced by a certificate executed by the Director and a Certificate of Occupancy issued by the City, and (iii) with respect to the Original 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 of 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 need not have the same meaning ascribed to it in construction contracts for elements of the Terminal E Project.

“Terminal B and C Lease” means the Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvements Project), dated as of November 14, 2011, between the City and Lessee, as amended and supplemented from time to time.

“Terminal C” means those premises and improvements located at the portion of the Airport generally regarded as Terminal C.

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

“Terminal C Ticketing Facilities” means those ticketing and passenger processing facilities, including passenger security processing facilities leased from the City to Lessee pursuant to the Terminal C Lease.

“Terminal E Apron Area” means the apron area more fully described in the Lease.

“Terminal E Fueling Facilities” means the fueling facilities more fully described in the Lease.

“Terminal E Pedestrian Bridges” means the pedestrian bridges more fully described in the Lease.

“Terminal E Project” or “Terminal E” means collectively the Lessee Project Components, the City Project Components and the Replacement Ticketing Facilities.

“Terminal E Utilities” means the utilities more fully described in the Lease.

“Ticketing Hall Sublease” means the sublease agreement which provides for Lessee to sublease to the City certain premises of the Terminal E Project.

“Ticketing Hall Subleased Premises” means the premises subleased from Lessee to the City pursuant to the terms of and as further described in the Ticketing Hall Sublease.

“Trust Indenture” means the Trust Indenture described in Appendix B to this Official Statement.

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

“Use Agreement” means 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 and/or any other successor use and lease agreement or other successor agreement, howsoever denominated, between Lessee and the City, pursuant to which Lessee is granted the right to operate its commercial air transportation business on the Airport in consideration for its payment of landing fees and other amounts and its agreement to abide by certain rules and regulations regarding its operations on the Airport, and if none exists, subject to the terms of the Lease, any such agreement between the City and any other carrier engaged in the air passenger transportation business at the Airport, and if none exists with any other carrier, then it means the City ordinance or ordinances regulating such matters and imposing such landing fees and other rates and charges.

## **Lease and Term**

### ***Lease of Terminal E Project***

Subject to the terms and conditions of the Lease, the City leases, lets and demises unto Lessee, and Lessee leases and rents from the City, the Terminal E Project, including the City Project Components, the Lessee Project Components, the Replacement Ticketing Facilities and any additional Special Facilities.

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

The term of the Lease commenced or will commence (i) with respect to the Original Terminal E Project, on August 29, 2001; (ii) with respect to the 2021 Lessee Project Components and the 2021 City Project Components, on the date of issuance of the Series 2021A Bonds; and (iii) with respect to Replacement Ticketing Facilities, on the Replacement Ticketing Facilities Substantial Completion Date. The term of the Lease will continue, unless sooner terminated in accordance with the terms thereof, until January 31, 2030 (the “Expiration Date”), subject to the extension provisions provided below.

Lessee will have the option to extend the term of the Lease until the first to occur of the following dates by giving written notice of such election to the Director no later than January 31, 2029:

- (i) the latest date that Lease may expire in accordance with applicable state law (including Chapter 22, Texas Transportation Code, which, as of the date of issuance of the Series 2021A Bonds, limits the term of the Lease to 40 years or August 28, 2041);
- (ii) the latest date that the Lease may expire and remain in compliance with federal tax law applicable to the Bonds (including section 142(b)(1)(B) of the Code); and
- (iii) January 31, 2045.

Lessee's option to extend the Lease is subject to the City's receipt of a Favorable Opinion of Bond Counsel addressed to the City (and at the request of Lessee, addressed to Lessee) on or before November 1, 2029, and the following conditions with respect to the period of such extension:

- (i) For the Lessee Project Components other than the 2021 Lessee Project Components, Lessee will continue to pay applicable City Charges, but in lieu of the Special Facilities Payments, Lessee will pay an additional rental at the then-current market rate (which, to the greatest extent permitted by federal tax laws applicable to the Bonds, will 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; and, with respect to the 2021 Lessee Project Components, Lessee will continue to pay applicable City Charges and Special Facilities Payments and the additional rental provided for in this paragraph will not apply until the Bonds that financed or refinanced the 2021 Lessee Project Components are no longer Outstanding;
- (ii) Certain concessions and related revenues will revert to the City; and
- (iii) If any of the gates located in the South Concourse have not met certain utilization standards (based upon the use of such gates by Lessee, any Subsidiary and, to the extent permitted in the Lease, 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 will be on a preferential use basis and not on an exclusive basis. In such an event, (x) the preferential rights provided for in the Lease will be subject to non-preferential use by other airlines, (y) Lessee will provide reasonable access to and use of the 2021 Lessee Project Components to such other airlines, and (z) when any such use is made by another, Lessee will be compensated for such use by the user thereof in an amount reasonably acceptable to the City and Lessee.

#### **Lessee's Rights to Use and Occupy the Terminal E Project During and After Construction of the International Central Processor**

During construction of the International Central Processor Lessee will sublet the Ticketing Hall Subleased Premises to the City pursuant to the terms set forth in the Ticketing Hall Sublease, and, in accordance with the 2021 Reimbursement Agreement, Lessee will conduct its ticketing operations for Terminal E in its Terminal C Ticketing Facilities.

Upon the Replacement Ticketing Facilities Substantial Completion Date, the Replacement Ticketing Facilities and related ground lease properties will be deemed to be leased to Lessee by the City pursuant to the Lease, and the Lessee Central Ticketing Facility and the Shell for Central Ticketing Facility and Associated Ramp will be released from the Lease.

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

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

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 as provided in the Lease. The City agrees to use its Best Efforts to issue any Additional Bonds required under clause (i) above, and the Director will cooperate in a reasonable manner with Lessee to request the City to issue Additional Bonds under clause (ii) above; however, no representation is made or assurance given or implied by the City that it will be able to sell, issue and deliver Additional Bonds on terms and conditions satisfactory to Lessee or that it will agree to issue Additional Bonds for any other purpose than as set forth above. Moreover, the issuance of Additional Bonds is made subject to the same conditions enumerated under the Lease concerning the issuance of the Series 2001 Bonds, including that the City will have no obligation to issue Additional Bonds if (i) there exists an Event of Default under the Lease by Lessee, (ii) Lessee has not given written approval of the Trust Indenture, or (iii) the Guaranty has not been executed and delivered to the Trustee, and the additional condition that, if deemed necessary by the City, there will have been executed a supplement to the Lease to provide for the manner of construction, acquisition and payment for any additional Special Facilities to be financed with such Additional Bonds and to provide for any other matters reasonably deemed necessary by the City in connection with such financing. All Additional Bonds will be secured and payable as provided in the Trust Indenture.

Upon the issuance of any Additional Bonds, the Special Facilities Payments payable under the Lease will automatically be increased in the amounts required to provide for the full and timely payment of all principal, interest, redemption premiums, Trustee charges and other related costs and expenses on all Bonds then outstanding, including the Additional Bonds to be issued. However, the City will not authorize the issuance of Additional Bonds until the terms thereof and of the supplement to the Trust Indenture relating thereto have been approved in writing by Lessee, which written approval will be conclusively binding upon Lessee.

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

Subject to the other terms and provisions of the Lease, the City agrees to apply the proceeds of any Additional Bonds (by depositing the proceeds into the "Construction Fund" and other funds and accounts as established, defined and provided in the Trust Indenture) to pay (but only to the extent of such proceeds) the costs of the Special Facilities financed therewith. After all Costs of the Lessee Project Components have been funded or provided for, any remaining surplus proceeds of the Series 2001 Bonds and any Additional Bonds may be used to pay for any costs of such other Special Facilities related to the Lessee Project Components of the Terminal E Project as may be (subject to public approval in satisfaction of the requirements set forth in the Internal Revenue Code of 1986, as amended) made subject to the Lease by the City and Lessee upon such terms as they may mutually determine.

Proceeds of such Bonds and deposits, if any, will be applied first to make any deposits required by the Trust Indenture authorizing the issuance of such Bonds, second to pay all costs of the Special Facilities incurred on behalf of the City, including the cost of issuance of such Bonds, and last to pay any costs of the Special Facilities. Any proceeds of the Bonds remaining after paying all costs of the Special Facilities will be deposited into the Interest and Redemption Fund as provided under the Trust Indenture.

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

### ***Refunding Bonds***

Lessee reserves the right to request the City from time to time to issue Refunding Bonds in any manner permitted by law for the purpose of refunding any of the Bonds from time to time outstanding. Although no

representation is made or assurance given or implied by the City that it will agree to issue such Refunding Bonds or that it will be able to sell, issue and deliver such Refunding Bonds on terms and conditions satisfactory to Lessee, the City agrees to use its Best Efforts to issue Refunding Bonds at Lessee's request provided they have a similar maturity pattern, similar redemption features and similar security. All Refunding Bonds, if any, will be secured and payable as provided in the Trust Indenture, and the Special Facilities Payments payable under the Lease will automatically be adjusted to provide for the full and timely payment of all principal, interest, redemption premiums, Trustee charges and other related costs and expenses on all Bonds to be outstanding following the issuance of the Refunding Bonds. Notwithstanding the foregoing, the City will not authorize the sale of any Refunding Bonds or authorize any supplement to the Trust Indenture for such purpose until the terms of such Refunding Bonds and the supplement to the Trust Indenture are approved in writing by Lessee, and it is provided further that the City's receipt of such approval will be conclusively binding upon Lessee. Further, the City will have no obligation to sell, issue or deliver the Refunding Bonds if (i) there exists an Event of Default under the Lease by Lessee, or (ii) if applicable, the Guaranty has not been executed and delivered to the Trustee.

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

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

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

The provisions of this subheading do not apply to (i) any Bonds issued before the Series 2021A Bonds or (ii) any Refunding Bonds issued to refund such Bonds.

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

### **Design, Construction and Acquisition of the Terminal E Project Special Facilities**

#### ***City Project Components and City International Facilities Project***

The City agrees to use Best Efforts to cause the 2021 City Project Components to be designed and constructed in accordance with Exhibit "A-12" attached to the Lease and to enter into contracts for and pursue construction diligently to Substantial Completion of the 2021 City Project Components so that the construction of the 2021 City Project Components will be substantially completed by November 30, 2022, and Lessee will have access to and use of the 2021 City Project Components (including for the performance of Lessee's work in connection with the 2021 Lessee Project Components) by April 30, 2022.

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

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

(a) Lessee will pay to the City, by depositing directly with the Trustee for the account of the Interest and Redemption Fund, for so long as any Bonds remain Outstanding within the meaning of the Trust Indenture, the following 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 will be paid as additional rent (x) directly to the Trustee, all Trustee charges and any other related costs and expenses in connection with the payment of principal, interest or redemption premiums on the Bonds in accordance with the Trust Indenture, (y) directly to the Trustee at such times and in such amounts, together with amounts available therefor under the Trust Indenture, so as to ensure compliance with the provisions of section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and (z) directly to any bond insurer or other credit enhancer or provider of a reserve fund surety, all fees, charges, reimbursements, expenses and interest charges due in connection therewith.

(b) The Special Facilities Payments payable under subsection (a) above will be reduced by the total of any amounts then on deposit in the Interest and Redemption Fund in excess of the amount then needed for the purpose of paying previously matured interest, principal, matured or redeemed Bonds, and redemption premiums, if any, whether such excess amounts become available by reason of (i) amounts deposited in the Interest and Redemption Fund from the proceeds of the Bonds for the purpose of providing capitalized interest or otherwise, (ii) previous overpayments of Special Facilities Payments, (iii) surplus funds from proceeds of the Bonds deposited to the credit of such Interest and Redemption Fund at the end of the construction and acquisition of all of the Lessee Project Components, as provided above under "Issuance of Special Facilities Bonds; Payment of Costs of the Lessee Project Components – Application of Proceeds; Insufficiencies," (iv) interest earnings from the investment or deposit of any amounts from time to time credited to the Interest and Redemption Fund as provided in the Trust Indenture, or (v) any other circumstance which results in funds being properly deposited in the Interest and Redemption Fund or in any other fund or account held by the Trustee under the Trust Indenture that are available for such purpose. The reductions in the Special Facilities Payments contemplated by this subsection (b) will be made by applying such excess amounts as a credit(s) against the next Special Facilities Payments payment(s) due after such excess amounts have actually become available in the Interest and Redemption Fund, until such excess amounts are exhausted. The Trust Indenture will require the Trustee to calculate such reductions and furnish them to Lessee and the City in a timely manner prior to the date on which the applicable Special Facilities Payment is payable. In the event the Trustee fails to furnish the amount of any such reduction, it will not in any way affect or reduce the obligation to pay as Special Facilities Payments the full amount provided in subsection (a) above. After all Special Facilities Payments have been paid 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 will be deemed overpayments of Special Facilities Payments and paid over by the City to Lessee within 30 days of their receipt by the City.

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

The Bonds will be sold to the purchasers thereof in reliance upon the commitment to make the payments of Special Facilities Payments provided in subsection (a) above under the subheading "—Special Facilities Payments While Bonds Outstanding" and elsewhere as provided in the Lease, subject only to the reductions provided in subsection (b) under such subheading. Accordingly, subject to the above-referenced limitations, the obligation to make the payments of Special Facilities Payments thus required will be absolute and unconditional, and so long as the Bonds remain Outstanding within the meaning of the Trust Indenture (i) there will be no suspension or discontinuance of any payments of Special Facilities Payments provided in the Lease or any offset against obligations to pay such amounts or recoupment of any amounts so paid, and (ii) there will be no termination of the

Lease or other effort to seek to avoid or to reduce the payment of Special Facilities Payments for any reason, including without limiting the generality of the foregoing, termination of the Use Agreement, failure to complete the Lessee Project Components, voluntary or involuntary bankruptcy of the City, any Event of Default under the Lease, failure to complete the construction or acquisition of any other Special Facilities, failure of the City to pay or cause to be paid any Costs of the Special Facilities (but without limiting the City's obligations described above under "Issuance of Special Facilities Bonds; Payment of Costs of the Lessee Project Components – Application of Proceeds; Insufficiencies") or any acts or circumstances that may constitute failure of consideration, destruction or damage to or condemnation of such facilities, or frustration of purpose, any change in the tax or other laws of the United States of America or the State of Texas, or any political subdivision of either thereof or any failure of the City to perform or observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with the Lease. It is provided, however, that nothing contained in this section will be construed to release the City from the performance of any of the agreements on its part contained in the Lease, and in the event the City should fail to perform such agreement, Lessee may, without limitation of any other rights that Lessee may then have, institute such actions against the City as it may deem necessary to compel the performance thereon, to seek damages or other relief or to restrain or enjoin forbidden acts provided that such institution of such actions will not result in a reduction of the payment of Special Facilities Payments under the Lease.

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

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

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

The Special Facilities Payments, which are pledged to the payment of the Bonds under the Trust Indenture, are intended to be a net return to the City. Accordingly, in addition to the payment of all Special Facilities Payments under the Lease, except as expressly provided in the Lease, (a) following Substantial Completion of the Original Terminal E Project, Lessee will pay all of the following additional amounts with respect to the Terminal E Project other than the Replacement Ticketing Facilities, and (b) following the Replacement Ticketing Facilities Substantial Completion Date, Lessee will pay all of the following additional amounts with respect to the Replacement Ticketing Facilities: (i) all operation and maintenance costs and expenses applicable to the Lessee Project Components, the Replacement Ticketing Facilities 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, the Replacement Ticketing Facilities 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 the provisions described below under "Lessee's Obligations and Conditions to Lessee's Use of Special Facilities – Maintenance of Special Facilities and Terminal E Apron Area at Lessee's Expense" other provisions of the Lease and (ii) all water, sewage, electricity, gas and other utility charges which may be charged to Lessee for the use thereof.

#### ***Ground Rentals***

Lessee will pay to the City as Ground Rentals for the Ground Lease Properties, subject to the special provisions set forth in the Lease, 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, 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. Lessee will 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 as calculated pursuant to the Lease.

#### ***City Charges and Landing Fees after December 31, 2017***

After December 31, 2017, the City will charge Lessee, and Lessee will pay to the City, City Charges and landing fees on the same basis as such charges and fees are assessed to other airlines operating in a similar manner at the Airport.

#### ***Payment Provisions***

In the event Lessee, at any time during the term of the Lease, fails to make any of the payments required under this heading "Special Facilities Payments; Other Rent and Charges" when due (beyond all applicable noticed and opportunity to cure periods), City reserves the continuing right to require a security deposit in an amount equal to six times Lessee's average monthly amount of rentals and fees payable under the Lease, during the immediately succeeding six-month period. Such security deposit will be provided to City by Lessee as a letter of credit or in such other form specified by the Director within 30 days of written demand therefor by City and will be held by City until Lessee has made timely payment of all rentals and fees payable under the Lease for a period of 12 consecutive months, at which time such security deposit will be returned to Lessee.

#### ***Payments During and after Construction of the Replacement Ticketing Facilities***

The construction of the International Central Processor and Replacement Ticketing Facilities and related amendments to the Lease to accommodate such construction will have no effect on the obligations and commitments of Lessee to pay Special Facilities Payments as described above under "—Special Facilities Payments While Bonds Outstanding" and "—Obligation to Pay Special Facilities Payments Unconditional."

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

##### ***Maintenance of Special Facilities and Terminal E Apron Area at Lessee's Expense***

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

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

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

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

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

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

The City will have no maintenance obligations for the Lessee Project Components. City will provide structural maintenance for the Terminal E Apron Area. 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.

If the term of the Lease is extended pursuant to the terms thereof, 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.

Upon extension of the APM to serve the international facilities area, the City will 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.

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.

### ***Limitations of Use of the Airport***

To the extent that the Lessee Central Ticketing Facility, Replacement Ticketing Facilities or other Special Facilities overlie, adjoin or abut space designated as public space in the International Facilities Agreement or the New IFA, then such Special Facilities shall not be used or occupied by Lessee in any way that would impede or prevent public access to or enjoyment of such overlaid, adjoining or abutting public space as provided in the International Facilities Agreement or the New IFA, as applicable.

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

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

Lessee will 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.

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

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

Lessee agrees to comply with pertinent statutes, executive orders and such rules to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance, as further provided in the Lease. In the event of breach of any of the nondiscrimination covenants set forth in the Lease, the Director shall have the right to terminate the Lease and to enter or re-enter and repossess the land and the facilities thereon, and hold the same as if the Lease had never been made or issued.

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

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

- (a) Lessee will comply or cause to be complied with all tax covenants with respect to the Special Facilities and the Bonds contained in the Trust Indenture;
- (b) Lessee will continuously repair, preserve, replace or substitute, as needed, all Special Facilities, at its expense, to the extent necessary to maintain and/or extend the reasonably expected economic life of the Special Facilities to satisfy the tax covenant contained in the Trust Indenture. All property for which replacements or substitutions are made by Lessee as provided in the Lease will become Lessee's property (and such replacement or substituted property will become the City's property);
- (c) Lessee elects not to claim depreciation or an investment credit for federal income tax purposes with respect to any portion of the Special Facilities; Lessee will take all actions necessary to make this election binding on all its successors in interest under the Lease; and this election will be irrevocable.

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

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

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

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

## **Special Obligations During Construction of the International Central Processor**

Whenever any Event of Default by Lessee has occurred and is continuing during the term of the Ticketing Hall Sublease, in accordance with the provisions of the 2021 Reimbursement Agreement, Lessee will provide reasonable access to and use of the Terminal C Ticketing Facilities to the City or any tenant of the City as described herein under "Events of Default and Remedies – Remedies on Default."

## **Special Obligations in the Event of Default under the Terminal B and C Lease**

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

## **Liability, Insurance and Condemnation**

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

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

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

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

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

Lessee is obligated to maintain insurance as follows: statutorily required worker's compensation; employer's liability insurance in the amounts of \$1,000,000 for bodily injury by accident for each accident, \$1,000,000 for bodily injury by disease for each employee, and \$1,000,000 policy limit for bodily injury by disease; aircraft liability (covering owned, hired and non-owned aircraft including passenger liability) with a combined single limit of \$200,000,000; aviation general liability (including broad form coverage, contractual liability, bodily

and personal injury, and products and completed operations) with a combined single limit per occurrence/aggregate of \$10,000,000 and \$10,000,000 aggregate limit for products and completed operations; all-risk insurance (covering the Special Facilities following Substantial Completion, including fire, lightning, vandalism, and extended coverage perils) in an amount equal to the replacement value of the Special Facilities; automobile liability insurance with a combined single limit per occurrence of \$5,000,000.

In connection with the design, construction, procurement and installation of the Special Facilities, Lessee will contractually require its principal construction contractors and architects/engineers contracting with Lessee (as the case may be) to carry the following additional coverages and limits of liability, unless Lessee carries policies of insurance covering such risk (provided, however, if reasonable under the circumstances, Lessee may, with the concurrence of the Director, require lower limits of liability): professional liability (in the case of architects and engineers) in the amount of \$1,000,000 per occurrence/aggregate; and builder's risk (in the case of contractors) in the amount of the replacement value of the Special Facilities up to an aggregate amount not less than the amount of expended Bond proceeds for such Special Facilities. Aggregate limits are per 12-month period unless otherwise indicated.

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

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

(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 Lessee requests that the Special Facilities not be repaired or rebuilt, or (B) the insurance proceeds (less the cost of removing the debris resulting from such casualty) together with any moneys available in the Interest and Redemption Fund are insufficient for such purpose and Lessee agrees to pay the deficiency and requests that the Special Facilities not be repaired or rebuilt, then in either case Lessee may, if the casualty loss is substantial and if the Bonds are redeemed or defeased in whole, together with any unpaid but accrued interest, elect to terminate the Lease and be released from all unaccrued obligations under the Lease; provided that the insurance proceeds (less the cost of removing the debris resulting from such casualty) and the deficiency payments, if any, paid by Lessee will be deposited into the Interest and Redemption Fund for the Bonds and the moneys therein will be applied to pay the obligations with respect to the Outstanding Bonds and other amounts due under the Trust Indenture. If the said proceeds and funds are in excess of the amount then necessary to pay the obligations with respect to the Outstanding Bonds and other amounts due under the Trust Indenture, any such excess will be divided between the City and 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, Lessee will pay the deficiency. If such proceeds are in excess of the amount necessary for such purposes, any such excess will be transferred by the Trustee to the Interest and Redemption Fund as a credit to the next due payments of Special Facilities Payments, with such credit to continue until the amount thereof is exhausted and if the Special Facilities Payments are paid in full, thereafter, any excess proceeds will be paid to Lessee. The repair or restoration of the Special Facilities will either be in accordance with the original plans and specifications, together with alterations or modifications made or agreed upon prior to the casualty, or in accordance with new or modified plans and specifications, the alternative to be determined by the mutual agreement of the City and Lessee. Before any reconstruction or repair under this paragraph, Lessee will submit plans and specifications to the Director for approval and such reconstruction or repair will be substantially in accordance therewith subject to such changes as may be reasonably requested by Lessee and approved by the City.

### ***Condemnation***

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

- (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 Lessee requests that the Special Facilities not be rebuilt elsewhere, or (B) the condemnation proceeds attributable to the Special Facilities, together with any moneys available in the Interest and Redemption Fund, are insufficient to pay all of the interest, principal and other obligations accrued and to accrue on the Bonds until they are fully and finally paid and all other amounts due under the Trust Indenture and Lessee agrees to pay the deficiency and requests that the Special Facilities not be rebuilt elsewhere or terminal facilities suitable for such purpose are not available elsewhere, the City will terminate the Lease and release Lessee from all accrued obligations thereunder, provided that the condemnation proceeds attributable to the Special Facilities and deficiency, if any, paid by Lessee will be deposited into the Interest and Redemption Fund for the Bonds and moneys therein will be applied to pay the obligations with respect to the Outstanding Bonds and all other amounts due under the Trust Indenture. If the said proceeds and funds are in excess of the amount then necessary to pay the obligations with respect to the Outstanding Bonds and all other amounts due under the Trust Indenture, any such excess after payment or provision for the payment of the Bonds and all other amounts due under the Trust Indenture within the meaning of the Trust Indenture has been made will be divided between the City and Lessee as their respective interests appear at the time of the taking.
- (ii) If all or a substantial part of the Special Facilities is taken and Lessee requests that the Special Facilities be rebuilt elsewhere, the Special Facilities will be rebuilt elsewhere and paid for with the condemnation proceeds attributable to the Special Facilities, and if such proceeds are insufficient for such purposes Lessee will pay the deficiency. If such proceeds attributable to the Special Facilities are in excess of the amount necessary for such purpose, any such excess will be paid to the City and deposited by it into the Interest and Redemption Fund for said Bonds as a credit to the next due payments of Special Facilities Payments, with such credit to continue until the amount thereof is exhausted and, thereafter, any excess proceeds paid to Lessee.
- (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) Lessee will determine whether any rebuilding is necessary. Any condemnation proceeds attributable to the Special Facilities that are not used for the purposes of rebuilding will be assigned to the City and deposited into the Interest and Redemption Fund and applied to redeem as many Bonds as may be redeemed at the next available redemption date.

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

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

## Events of Default and Remedies

### *Events of Default*

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

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

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

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

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

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

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

management, or ownership provision, in the Lease, any other material lease, any financing agreement, or master agreement relating to the Special Facilities, including the Lessee Project Components.

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

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

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

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

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

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

reletting of the Special Facilities, United Funded Equipment and Ground Lease Properties, the City agrees not to charge such tenant(s) Ground Rentals in excess of those charged (or that would be charged) to Lessee for the areas included in such Special Facilities and Ground Lease Properties.

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

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

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

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

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

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

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

The Lease may not be assigned or otherwise transferred in whole or in part by Lessee (except as described below under “Miscellaneous – Lessee to Maintain its Corporate Existence”) without the prior written consent of the Director; provided, however, that, unless permitted by the Trust Indenture or as described below under “—Termination of Agreement by Lessee” or under “Miscellaneous – Lessee to Maintain its Corporate Existence,” the City will not consent to any assignment by Lessee of its rights under the Lease without first obtaining a written agreement from Lessee that Lessee will remain primarily liable for Special Facilities Payments under the Lease. Lessee may, upon giving notice to the Director, sublet to concessionaires, 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 provided in the Lease. 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 in the Lease.

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), the City may, if an Event of Default will have occurred and be continuing under the Lease, collect rent or Special Facilities Payments from such sublessee or occupant, and the City will apply the amount collected to the extent possible to satisfy the obligations of Lessee under the Lease, but no such collection will be deemed a waiver by the City of the covenants contained in the Lease or an acceptance by the City of any such sublessee, claimant or occupant as a successor Lessee, nor a release of Lessee by the City from the further performance by Lessee of the covenants imposed upon Lessee in the Lease.

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

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

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

**Miscellaneous**

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

Lessee will maintain its corporate existence throughout the term of the Lease, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that Lessee may, without violating the agreement contained in this section, 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 Lessee in the Lease and (ii) qualifies or is qualified to do business in Texas.

***Exempt Facilities***

In order to assure that interest on the Bonds will be exempt from federal income taxation, Lessee covenants and agrees that it will not, and it will not permit or allow any other person to, construct, acquire, use, employ, modify, rebuild or repair 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. Lessee makes an irrevocable election, which it will cause to be binding on all successors in interest under the Lease, not to claim for federal income tax purposes depreciation or investment credit with respect to the Special Facilities or any component thereof. Lessee will not require or request the City issue any Bonds or expend any proceeds thereof to pay any Costs of the Special Facilities that would have the effect of causing interest on any of the Bonds not to be exempt from federal income taxation.

***Force Majeure***

Neither the City nor Lessee will be deemed in violation of the Lease if it is prevented from performing any of the obligations under the Lease by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, war, or any other circumstances for which it is not responsible or which is not in its control, and the time for performance will be automatically extended by the period the party is prevented from performing its obligations thereunder; provided, however, that these provisions will not apply to any failure by Lessee to pay the rentals and other charges pursuant to the Lease, expressly including the Special Facilities Payments.

***Place of Performance; Laws Governing***

The Lease will be performable and enforceable in Harris County, Texas, and will be construed in accordance with the laws of the State of Texas, the City Charter and Ordinances of the City of Houston, Federal law and all applicable State and Federal regulations.

***Most Favored Nation***

Lessee will have the same rights and privileges and pay the same City-established fees and charges, not to exceed those established under the provisions of the Lease as periodically revised, 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 the Lease may vary from the lease rentals and charges established in the Lease for the facilities, depending upon the capital cost and financing arrangements involved and, therefore may be more or less than the lease rentals established in the Lease for similar facilities.

***Lessee Not Obligated to Use Best Efforts to Complete the 2021 Lessee Project Components by a Date Certain***

Lessee is not obligated to use its Best Efforts to cause the 2021 Lessee Project Components to be complete by a date certain. Lessee shall deliver to the Trustee and the Director on or before September 1, 2022, and each September 1 thereafter until Substantial Completion of all 2021 Lessee Project Components, a report certified by an officer of Lessee as to the status, in the opinion of Lessee, of construction and completion of the 2021 Lessee Project Components, including whether they are on schedule and within budget and a description of any material variations.

\* \* \*

## APPENDIX D

### EXCERPTS OF CERTAIN PROVISIONS OF THE GUARANTY

The following are excerpts of certain provisions of the Guaranty dated August 1, 2001 and amended and restated as of June 1, 2014 from United Airlines, Inc. in favor of The Bank of New York Mellon Trust Company, National Association as trustee with respect to the 2014 Bonds and any Additional Bonds and Refunding Bonds, including the Series 2021A Bonds (the “Guaranty”). *The excerpts contained in this APPENDIX D do not purport to be complete or definitive and are qualified in their entirety by reference to the full provisions of the Guaranty. Provisions included herein are in substantially final form, but may change prior to the issuance of the Series 2021A 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 collectability.

\* \* \*

3. Enforcement.

(a) If United fails to perform its obligations hereunder, the Trustee shall have the right to proceed immediately against United to enforce its rights under this Guaranty, *provided, however,* that the Trustee shall credit against United’s payment obligations under this Guaranty any and all corresponding rental payments received from United pursuant to Section 6.01 of the Lease [as described under “APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Special Facilities Payments; Other Rent and Charges—*Special Facilities Payments While Bonds Outstanding*”] and, subject to the terms of the 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 [as described under "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE LEASE—Special Facilities Payments; Other Rent and Charges—*Special Facilities Payments While Bonds Outstanding*"]. To the fullest extent permitted by law, including, without limitation, any suretyship defenses pursuant to Chapter 34 of the Texas Business and Commerce Code, United hereby waives any defenses (other than the defense of payment or performance of the obligations contained herein) or benefits that may be derived from or afforded by any applicable law that may limit the liability of or exonerate guarantors, unless such defenses or benefits are reserved or provided herein.

(b) All monies received by the Trustee pursuant to any right given or action taken under the provisions of this Guaranty shall be deposited by the Trustee in the Interest and Redemption Fund (as defined in the 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 guaranteed obligations, consent of the holders of 100% in principal amount of the Outstanding Bonds is required.

\* \* \*

11. Effective Date; Termination. This Guaranty shall be effective as of the date of issuance of the Series 2014 Bonds, and shall remain in effect until the date on which the lien created by the Indenture is terminated with respect to the Bonds in accordance with the provisions thereof.

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**APPENDIX E**  
**BOOK-ENTRY ONLY SYSTEM**

*The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Series 2021A Bonds, payment of principal and purchase price, if any, and premium, if any, and interest and other payments with respect to the Series 2021A Bonds to Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in such Series 2021A Bonds and other related transactions by and among DTC, the Direct Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations is made concerning these matters, and neither the Direct Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, the City, United or the Trustee.*

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2021A Bonds. The Series 2021A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021A Bond will be issued for each maturity of the Series 2021A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2021A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021A Bonds on DTC’s records. The ownership interest of each actual purchaser of a Series 2021A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive definitive certificates representing their ownership interests in the Series 2021A Bonds, except in the event that use of the book-entry system for the Series 2021A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no

knowledge of the actual Beneficial Owners of the Series 2021A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Indenture. For example, Beneficial Owners of Series 2021A Bonds may wish to ascertain that the nominee holding the Series 2021A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021A Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Series 2021A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, United or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, redemption proceeds and purchase price to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee from the sources provided in the Trust Indenture, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

THE CITY, UNITED AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO THE DIRECT PARTICIPANTS OR THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2021A BONDS (I) PAYMENTS OF PRINCIPAL OR PURCHASE PRICE, IF ANY, OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021A BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2021A BONDS OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2021A BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, ITS DIRECT PARTICIPANTS OR ITS INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NONE OF THE CITY, UNITED AND THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE SERIES 2021A BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE CITY KEPT BY THE TRUSTEE AS BEING A BONDHOLDER. THE CITY, UNITED, AND THE TRUSTEE SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (I) ANY

OWNERSHIP INTEREST IN THE SERIES 2021A BONDS; (II) THE PAYMENT BY DTC TO ANY PARTICIPANT OR BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR PURCHASE PRICE, IF ANY, OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021A BONDS; (III) THE DELIVERY TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE; (IV) THE SELECTION BY DTC OR ANY PARTICIPANTS OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2021A BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO.

SO LONG AS CEDE & CO. IS REGISTERED OWNER OF THE SERIES 2021A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE SERIES 2021A BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2021A BONDS.

Discontinuance of Book-Entry System. DTC may discontinue providing its services as securities depository with respect to the Series 2021A Bonds at any time by giving reasonable notice to the Trustee, or the City, with the consent of United, may also terminate its participation in the system of book-entry transfers through DTC or any other securities depository at any time. In the event that the book-entry system is discontinued, the Trustee will execute and make available for delivery, replacement definitive, fully-registered Series 2021A Bonds.

Transfer Fees. For every transfer and exchange of Series 2021A Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax or governmental charge that may be imposed in relation thereto.

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**APPENDIX F**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**CONTINUING DISCLOSURE AGREEMENT**

This **CONTINUING DISCLOSURE AGREEMENT**, dated as of August 31, 2021 (the “Disclosure Agreement”), between United Airlines, Inc. (the “Company”) and The Bank of New York Mellon Trust Company, National Association, as trustee (together with its predecessors-in-interest, the “Trustee”);

**W I T N E S S E T H:**

**WHEREAS**, pursuant to a Purchase Contract dated as of August 25, 2021 (the “Purchase Contract”), the City of Houston, Texas (the “City”) intends to sell its Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal E Project), Series 2021A (AMT) (the “Bonds”) to Citigroup Global Markets Inc. and the other underwriters named in Exhibit A thereto (each an “Underwriter” and, collectively, the “Underwriters”), and, in order to permit the Underwriters to satisfy their obligations under Securities and Exchange Commission Rule 15c2-12, the Company has agreed to enter into this Disclosure Agreement;

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

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

“Airport” shall mean George Bush Intercontinental Airport/Houston.

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

“Dissemination Agent” shall mean the Trustee, acting in its capacity as dissemination agent hereunder, or any successor dissemination agent designated in writing by the Company pursuant to Section 7 of this Disclosure Agreement and that has filed with the Trustee a written acceptance of such designation.

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

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(xv) and Section 5(a)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Exchange Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

“Master Trust Indenture” shall mean that certain Trust Indenture dated as of August 1, 2001, between the City and the Trustee.

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

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

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Exchange Act, 17 CFR § 240.15c2-12, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“Special Facilities Lease” shall mean that certain Terminal E Lease and Special Facilities Lease Agreement dated as of August 1, 2001, as amended and supplemented.

“State” shall mean the State of Texas.

“Trust Indenture” shall mean the Master Trust Indenture, as amended and supplemented by that certain First Supplemental Trust Indenture dated as of June 1, 2014, that certain Second Supplemental Trust Indenture dated as of June 1, 2020, and that certain Third Supplemental Trust Indenture dated as of August 1, 2021, each between the City and the Trustee.

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

**SECTION 3. Provision of Annual Reports.**

(a) The Company shall, or shall cause the Dissemination Agent to, not later than the last day of the sixth month following the end of each fiscal year of the Company (which is currently December 31), commencing with the fiscal year ending December 31, 2021, file with the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 business days prior to such date, the Company shall file the Annual Report with the Dissemination Agent (if any) and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Company as disclosed below may be submitted separately from the balance of the Annual Report. If the Company’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) If by (i) 15 business days prior to the date specified in the first sentence of subsection (a) for providing the Annual Report to the MSRB, the Trustee has not received a copy of the Annual Report, or (ii) the date which is the last day of the sixth month following the end of the applicable fiscal year of the Company, the Trustee has not received notification that an Annual Report has been filed with the MSRB as required by Section 3(d)(ii), the Trustee shall contact the Company and the Dissemination Agent (if any) regarding the Company’s compliance with subsection (a).

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

(d) The Company agrees that it shall:

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

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

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

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

2. A listing of the average number of the Company's scheduled departures (excluding regional jet operations) each day from the Airport during the most recently-completed calendar year.

3. A listing of the average number of additional scheduled daily departures by United's regional carriers from the Airport during the most recently-completed calendar year.

4. A listing of the approximate number of enplaned passengers at the Airport by the Company's and its regional carriers during the most recently completed calendar year.

5. A listing of the number of non-stop markets (including the number of international destinations) served by the Company from the Airport as of a date not earlier than the last day of the most recently completed calendar year.

6. A listing of the number of domestic and international destinations served by United's regional carriers from the Airport during the most recently-completed calendar year.

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

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

9. The approximate percentage of the Company's system-wide passenger enplanements served by the Airport during the most recently-completed calendar year.

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

**SECTION 5. Reporting of Listed Events.**

(a) Each of the following events with respect to or related to the Bonds, or with respect to the Company, as applicable, shall constitute a Listed Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to the rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Company;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Company or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of the Company, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Company, any of which affect Bond holders, if material; or
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Company, any of which reflect financial difficulties.

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

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

**SECTION 6. Termination of Reporting Obligation.** The respective obligations of the Company and the Trustee under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full, of all of the Bonds. If the Company's obligations under the Special Facilities Lease and this Disclosure Agreement are assumed in full by some other entity and the Company no longer has any liability as to the Bonds, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Company and the original Company shall have no further responsibility hereunder. This Disclosure Agreement shall also terminate upon (i) the Rule being withdrawn or having been found by a court of competent jurisdiction to be invalid, or (ii) receipt by the Trustee and the Company of an opinion of counsel of nationally recognized expertise in matters relating to securities laws affecting municipal securities to the effect that the Rule is no longer applicable to the Bonds.

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

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Company and the Trustee may amend this Disclosure Agreement (and the Trustee may, but shall not be obligated to, enter into any such amendment of this Disclosure Agreement which affects the Trustee's own rights, duties or immunities) and any provision of this Disclosure Agreement may be waived, if (a) such amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a) and arises from a change in legal (including regulatory) requirements or in interpretations thereof, change in law, or change in the identity, nature, or status of the Company or the type of business conducted by the Company; (b) this Disclosure Agreement, as amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in

circumstances; or (c) the amendment or waiver does not materially impair the interest of the holders of the Bonds, as determined by either (i) a party unaffiliated with the City or the Company (such as bond counsel or other counsel of nationally recognized expertise in matters relating to the application of federal securities laws to municipal obligations who (or which) is not a full time employee of the City or the Company), or (ii) the approving vote of holders of the Bonds obtained in the same manner as an approving vote of holders of the Bonds of an amendment to the Trust Indenture. In the event of any amendment or waiver of a provision of this Disclosure Agreement that results in a change to the information provided in any subsequent Annual Report, the Company shall describe such amendment or waiver in the next Annual Report and shall include, as applicable, in narrative form, the reasons for the amendment and the impact of the change on the type of operating data or financial information being provided. If such change relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made should present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, notice of such amendment shall be provided by the Company to the Trustee, and the Trustee shall provide such notice to the MSRB and the City. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Company to meet its obligations, and to the extent feasible in the view of the Company, shall be quantitative as well. In executing any amendment to this Disclosure Agreement, the Trustee shall be entitled to receive and rely upon an opinion of counsel that such amendment complies with this Section 8.

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

**SECTION 10. Default.** If the Company fails to comply with any provision of this Disclosure Agreement, any Bondholder may, or the Trustee may (and, at the request of any of the Underwriters or the holders of not less than a majority in aggregate principal amount of Outstanding Bonds, shall), take such actions as may be necessary and appropriate, including seeking an order of mandamus or specific performance by court order, to cause the Company to comply with its obligations under this Disclosure Agreement. Notwithstanding the foregoing, the Trustee shall not be obligated to do so unless it receives indemnification reasonably satisfactory to it for its fees and expenses (including reasonable attorneys' fees) in pursuing that action. A default under this Disclosure Agreement shall not be deemed a default or an Event of Default under the Trust Indenture or the Special Facilities Lease or to result in any pecuniary liability of the Company or the Trustee, and the sole remedy in the event of any failure of the Company or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance hereunder.

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

Dissemination Agent shall disclose information, unless required by relevant Texas law with respect to the City, (i) deemed in writing to be confidential or proprietary by the Company, (ii) the disclosure of which is prohibited by applicable law; or (iii) otherwise not subject to disclosure as determined by the Company in writing delivered to the City and the Dissemination Agent or by the City. The Annual Report may contain such disclaimer language as the Company may deem appropriate and any information disclosed hereunder by the Dissemination Agent may contain such disclaimer language as the Dissemination Agent may deem appropriate.

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

SECTION 13. Notices. Notices required or permitted to be given hereunder to the Company, the City or the Trustee shall be provided as set forth in Section 9.6 of the Third Supplemental Trust Indenture.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts or .pdf counterparts delivered by electronic mail, each of which shall be an original and all of which shall constitute but one and the same instrument. Signatures provided by facsimile transmission or in .pdf format sent by electronic mail shall be deemed to be original signatures.

(SIGNATURES ON NEXT PAGE)

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

**United Airlines, Inc.**

By: \_\_\_\_\_  
Name: Pamela S. Hendry  
Title: Vice President & Treasurer

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

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT A

### NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Houston, Texas

Name of Bond Issue: \_\_\_\_\_

\_\_\_\_\_  
Name of Company: United Airlines, Inc.

Date of Issuance: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Company named above has not provided the required annual financial information as required under the Continuing Disclosure Agreement, dated as of August 31, 2021, between the Company listed above and the undersigned, as trustee, relating to the Bond Issue described above, on or before the date such information is required to be provided in such Continuing Disclosure Agreement.

Dated: \_\_\_\_\_

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

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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## APPENDIX G

### FORMS OF OPINIONS OF CO-BOND COUNSEL AND TAX COUNSEL

#### BRACEWELL LLP

711 LOUISIANA STREET, SUITE 2300  
HOUSTON, TEXAS 77002

#### WEST & ASSOCIATES, L.L.P.

440 LOUISIANA STREET, SUITE 1880  
HOUSTON, TEXAS 77002

August 31, 2021

We have acted as co-bond counsel for the City of Houston, Texas (the “City”) in connection with the issuance of the CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES REVENUE BONDS (UNITED AIRLINES, INC. TERMINAL E PROJECT), SERIES 2021A (AMT) in the original aggregate principal amount of \$70,175,000 (the “Series 2021A Bonds”).

The Series 2021A Bonds are authorized pursuant to the Trust Indenture, dated as of August 1, 2001 (as supplemented as described herein, the “Trust Indenture”), by and between the City and The Bank of New York Mellon Trust Company, National Association (successor in trust to The Chase Manhattan Bank), as trustee (the “Trustee”), as supplemented by a First Supplemental Trust Indenture, dated as of June 1, 2014, a Second Supplemental Trust Indenture, dated as of June 1, 2020 and a Third Supplemental Trust Indenture, dated as of August 1, 2021 (the “Third Supplemental Trust Indenture”).

The Series 2021A Bonds mature, bear interest and are subject to redemption prior to maturity as set forth in the Series 2021A Bonds and in the Third Supplemental Trust Indenture. Capitalized terms used herein but not otherwise defined shall have the meanings assigned to such terms in the Trust Indenture.

Proceeds of the Series 2021A Bonds are to be used to finance the development, construction and acquisition of certain terminal facilities and improvements at George Bush Intercontinental Airport/Houston, which airport facilities have been leased by the City to United Airlines, Inc. (formerly known as Continental Airlines, Inc.) (“United”) pursuant to a Terminal E Lease and Special Facilities Lease Agreement between the City and United, dated as of August 1, 2001, as amended and supplemented (the “Lease”), including as supplemented by that certain Supplement to Terminal E Lease and Special Facilities Agreement (with respect to Central FIS Concession Area) dated July 8, 2002, as amended by that certain COVID-19 Airline Blanket Amendment dated as of April 27, 2020, and as amended and supplemented by that certain Amendment No. 1 to the Terminal E Lease and Special Facilities Lease Agreement dated as of August 11, 2021 (the “First Amendment to the Lease”).

United has agreed to pay, pursuant to the terms of the Lease, certain Special Facilities Payments in amounts 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 2021A Bonds. In addition, United has guaranteed the payment of principal of, premium, if any, and interest on all Bonds, including the Series 2021A Bonds, pursuant to an amended and restated guaranty agreement entered into with the Trustee, dated 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 2021A Bonds under the Constitution and laws of the State of Texas. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have assumed no responsibility with respect to the financial condition or capabilities of United or the City, including the Airport System, or the reporting or disclosure thereof in connection with the offer and sale of the Series 2021A Bonds.

In our capacity as co-bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the authorization and issuance of the Series 2021A Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the City Council of the City; customary and required certificates of officials, agents and representatives of the City, United and the

Trustee; and other certified showings relating to the authorization, execution and delivery of the Third Supplemental Trust Indenture and the First Amendment to the Lease and the authorization and issuance of the Series 2021A Bonds. We also have examined executed counterparts of the Trust Indenture and the Lease, the executed Series 2021A Bond No. AG-1 and a specimen of the form of the definitive Series 2021A Bonds.

Based on such examination and in reliance on such certifications and assumptions, it is our opinion that:

1. The transcript of certified proceedings referenced above evidences complete legal authority for the issuance of the Series 2021A Bonds in full compliance with the Constitution and the laws of the State of Texas presently effective and that, therefore, the Series 2021A Bonds constitute legal, valid and binding special obligations of the City; and
2. The Series 2021A Bonds, together with all outstanding Bonds and any additional Bonds hereafter issued, are payable from and secured by a lien on and pledge of the City's right, title and interest in and to the Pledged Revenues, which include, without limitation, 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 Bonds, including the Series 2021A Bonds.

The rights of the owners of the Series 2021A Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions, and may be limited by general principles of equity that permit the exercise of judicial discretion. The Series 2021A 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 2021A Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and the Series 2021A 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 2021A Bonds is further guaranteed by United pursuant to the Guaranty, as more fully described therein. The City's obligations pursuant to 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, payable from and secured by a lien on and pledge of the Pledged Revenues on a parity with the Series 2021A Bonds.

Our opinions are based on existing law and our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.

# BRACEWELL

August 31, 2021

We have acted as special tax counsel for the City of Houston, Texas (the “City”) in connection with the issuance of the CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES REVENUE BONDS (UNITED AIRLINES, INC. TERMINAL E PROJECT), SERIES 2021A (AMT) in the original aggregate principal amount of \$70,175,000 (the “Series 2021A Bonds”).

The Series 2021A Bonds are authorized pursuant to the Trust Indenture, dated as of August 1, 2001 (as supplemented as described herein, the “Trust Indenture”) by and between the City and The Bank of New York Mellon Trust Company, National Association (successor in trust to The Chase Manhattan Bank), as trustee (the “Trustee”), as supplemented by a First Supplemental Trust Indenture, dated as of June 1, 2014, a Second Supplemental Trust Indenture, dated as of June 1, 2020 and a Third Supplemental Trust Indenture, dated as of August 1, 2021 (the “Third Supplemental Trust Indenture”).

The Series 2021A Bonds mature, bear interest and are subject to redemption prior to maturity as set forth in the Series 2021A Bonds and in the Third Supplemental Trust Indenture. Capitalized terms used herein but not otherwise defined shall have the meanings assigned to such terms in the Trust Indenture.

Proceeds of the Series 2021A Bonds are to be used to finance the development, construction and acquisition of certain terminal facilities and improvements at George Bush Intercontinental Airport/Houston, which airport facilities have been leased by the City to United Airlines, Inc. (formerly known as Continental Airlines, Inc.) (“United”) pursuant to a Terminal E Lease and Special Facilities Lease Agreement between the City and United, dated as of August 1, 2001, as amended and supplemented (the “Lease”), including as supplemented by that certain Supplement to Terminal E Lease and Special Facilities Agreement (with respect to Central FIS Concession Area) dated July 8, 2002, as amended by that certain COVID-19 Airline Blanket Amendment dated as of April 27, 2020, and as amended and supplemented by that certain Amendment No. 1 to the Terminal E Lease and Special Facilities Lease Agreement dated as of August 11, 2021 (the “First Amendment to the Lease”).

We have acted as special tax counsel for the sole purpose of rendering an opinion with respect to the excludability of interest on the Series 2021A Bonds from gross income for federal income tax purposes. We have assumed no responsibility with respect to the financial condition or capabilities of United or the City, including the Airport System, or the reporting or disclosure thereof in connection with the offer and sale of the Series 2021A Bonds.

We acknowledge that West & Associates L.L.P., with whom our firm serves as co-bond counsel (“Co-Bond Counsel”) with respect to the Series 2021A Bonds, is not responsible for our opinion as special tax counsel. The two firms are not part of a partnership and each firm is an independent entity.

In our capacity as special tax counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the authorization and issuance of the Series 2021A Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the City Council of the City; customary and required certificates of officials, agents and representatives of the City, United, and the Trustee; and other certified showings relating to the authorization, execution and delivery of the Third Supplemental Trust Indenture and the First Amendment to the Lease, and the authorization and issuance of the Series 2021A Bonds. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein.

In providing the opinions set forth herein, we have relied on representations and certifications of the City, United, and other parties involved with the issuance of the Series 2021A Bonds with respect to matters solely within the knowledge of the City, United and such other parties, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the covenants in the Trust Indenture and the Lease, including, but not limited to, covenants relating to the tax-exempt status of the Series 2021A Bonds. Further,

we have relied on the legal opinion of Co-Bond Counsel of even date herewith regarding the legality and validity of the Series 2021A Bonds under the Constitution and laws of the State of Texas.

Based on such examination and in reliance on such representations, certifications and assumptions, it is our opinion that:

1. Interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except with respect to interest on any Series 2021A Bond for any period during which such Series 2021A Bond is held by a person who is a "substantial user" of the facilities financed or refinanced with the proceeds of the Series 2021A Bonds or a "related person" to such a "substantial user," each within the meaning of section 147(a) of the Code; and

2. Interest on the Series 2021A Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining a taxpayer's alternative minimum tax liability.

Except as stated above, we express no opinion as to the amount of interest on the Series 2021A Bonds or any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Series 2021A Bonds. This opinion is specifically limited to the laws of the United States of America. Further, in the event that the representations of the City, United or any other parties upon which we have relied are determined to be inaccurate or incomplete, or the City or United fails to comply with the covenants in the Trust Indenture and the Lease, respectively, interest on the Series 2021A Bonds could become includable in gross income for federal income tax purposes from the date of the original delivery of the Series 2021A Bonds, regardless of the date on which the event causing such inclusion occurs.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.



UNITED



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